Daily Report

Latin America

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Cuba

Three 'Asylum Seekers' Leave Belgian Embassy

PA0206162594 Madrid EFE in Spanish 1531 GMT 2 Jun 94

[Text] Havana, 2 Jun (EFE)—Three of the Cubans who broke into the Belgian Embassy in Havana last Saturday left the building last night, according to official sources. The sources did not give the identity of the people who left the embassy last night, nor the identity of the person who left Sunday night.

Observers believe the four who left the residence of the Belgian ambassador could be the last people who were unexplainably able to break through dozens of police on Saturday morning. In documents released to the media on Tuesday, the refugees expressed their suspicions that the four were State Security agents.

Authorities Concerned Over Embassy Takeover

PA0206192594 Madrid EFE in Spanish 1735 GMT 2 Jun 94

[Report by Marisol Marin]

[Text] Havana, 2 Jun (EFE)—Although three more people left the Belgian Embassy in Havana last night, Cuban authorities are "very concerned" about the threat of suicide that was in a message sent by the 124 refugees to the press on Tuesday.

Today, official sources expressed their concern to EFE, both for the "threat to commit suicide" and the fact that the refugees have formed an organization within the embassy grounds, on which they trespassed last Saturday to request asylum.

In the message, the refugees announced their decision to create an organization called "Union of Cubans for Freedom;" they refused to hold talks with the government "for lack of guarantees" and said they were ready for anything, "even losing their lives."

A high-ranking Cuban Foreign Ministry official, who asked not to be identified, stressed that the Cuban Government "has always honored its word and there is proof of that," in reference to the promise made to Belgian authorities that the refugees will not be punished after leaving the building.

The official reiterated that the two countries agree these people must leave the building peacefully. The official also reported that Willy Verriest, special Belgian Government envoy who arrived on Tuesday, is cooperating so the refugees leave the embassy as soon as possible."

"They have asked for time to convince the refugees and we will never violate Belgian territory," explained the source, who also complained about "the little cooperation received from the head of mission (Paul Veirmeirsch)."

Diplomatic sources in Havana remarked that Verriest's arrival should expedite the solution to the problem, given that Ambassador Veirmeirsch seems to have had some communication difficulty with Cuban authorities.

In short statements to the press, Verriest said the only thing that can be done is to convince the refugees to accept the guarantees given by the Cuban Government, "but this is not easy," he added. Verriest said: "We want a peaceful solution; the Cuban Government also wants a peaceful solution. None of us wants violence."

Up until now, four people have left the diplomatic headquarters; one on Sunday and three yesterday. Their identities are unknown but, according to observers, they may be the last who, unexplainably, managed to enter the compound early Saturday morning by avoiding dozens of police. In a message sent to the press, the refugees said they suspected those four individuals were government security members.

Meanwhile, the ambassadors of the European Union in Cuba have met three times in three consecutive days—the last time was on yesterday, Wednesday—but none of them has wanted to comment to the press.

The wives of several ambassadors are actively cooperating in supplying food to the refugees and they regularly send snacks and other foodstuff, at the request of the Belgian ambassador.

From the top of a ladder placed against a tree, a television channel was able to film a sort of a rustic scene in the gardens of the ambassador's residence yesterday afternoon. The children ran and played and the mothers, who were sitting down, were spending the afternoon peacefully. When he noticed the camera, a man said hello and then, with his hands, made the sign of victory.

GRANMA Article Responds to Clinton Message

FL0206211694 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Jun 94

[Text] On 2 June, GRANMA published an article by reporter Luis Vaies Delgado entitled Public Letter to a President, in which he responds to William Clinton's message of 20 May, supposedly for the people of Cuba.

If we have gotten to where we are now and we are still here, it is because we have learned never to make the slightest compromise regarding sovereignty and independence. Vaies points out that 20 May 1902 is not Cuban Independence Day; it is the day that the crime of seizing the independence that the Cuban people had fought for for over a third of a century pseudojudicially took place. He adds further on in the article: We arrived at 20 May 1902 through the cunning and greed of a nation that coveted Cuba for a century. After analyzing a number of historic events that prove this, Luis Vais responds, clearly and precisely, to several of the U.S. President's statements regarding our people and his government. In this manner, the deceit in those statements is exposed.

Condemns Torricelli's 'Meddling' in Mexico

PA0206181694 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Jun 94

[From the "Evening Information Review" newscast]

[Text] The Cuban daily GRANMA condemned the meddling in Mexico's internal matters by Democratic Representative Robert Torricelli, who is described as a politics' dealer. An extensive editorial by reporter Nicanor Leon Cotayo, highlights a wave of repudiation in Mexico of Torricelli's attempt to appoint himself a judge of Mexico. He adds that the chairman of the Western Hemisphere Affairs Subcommittee of the U.S. House of Representatives, this year inaugurated two hearings to examine the situation in the state of Chiapas, Mexico, arguing that NAFTA grants Washington this right. The U.S. Congressman also drew up a draft bill outlining the guidelines the Mexican electoral system should follow from now on.

GRANMA's article emphasized that Torricelli, once again, defends a trend in U.S. policymaking to make meddling in the internal matters of other countries state policy. The Cuban daily concludes by indicating that what is of most concern is the increasing tendency among high-level U.S. officials to reveal their true intentions.

New Sea, Air Transportation Fees in Effect 1 Jun

FL0206113094 Havana Radio Rebelde Network in Spanish 2300 GMT 1 Jun 94

[Text] Beginning today, new sea and air transportation fees went into effect nationwide following the 31 May publication of Resolution 694 of the Ministry of Finances and Prices in the Official Gazette. The resolution points out that children younger than two years of age travel free—proof of age is required. It also stipulates that children between two and 12 years of age will pay 50 percent of the fee, in other words, half the cost—proof of age is required.

Beginning today, a Havana-Santiago de Cuba ticket costs 90 pesos, and a Havana-Baracoa ticket costs 108 pesos. Other examples: a ticket to Camaguey costs 72 pesos, and a ticket to Isle of Youth is 22 pesos. The hovercraft service between Batabano and Nueva Gerona is 11 pesos for adults and 7 pesos for children. The maximum luggage weight included in the ticket price is 20 kilograms. Excess luggage, in maritime transportation, will cost two pesos for each additional kilogram.

It is important for the people to be aware that this measure, which is part of the effort to correct the national finances, is not enough to cover the subsidy which the state gives to the national aviation carrier in order to serve the population. Air transportation of tourists accrues hard currency, yet this is not enough to cover the expenses incurred in transportation services for the people.

Electric Union Announces Kilowatt-Hour Increase

FL0206213694 Havana Radio Rebelde Network in Spanish 1700 GMT 2 Jun 94

[Text] According to estimates by specialists, 52.2 percent of the population will not be affected by the kilowatt-hour cost increase, and the measure will also help to promote energy conservation. A family unit that uses 150 kilowatts will pay 19 pesos more, since the first 100 kilowatts cost nine cents a kilowatt, and the other 50 cost 50 cents a kilowatt. This new fee will be implemented according to the meter's readout in September, which will be payable in October. The Electric Union has announced that this measure will yield revenues of over 405 million pesos annually or a monthly revenue average of 34 million pesos.

Today's GRANMA features an article by Oria de la Cruz on page two, which offers extensive information on this issue.

Commentary Says Price Hikes To Benefit Society

PA0306000794 Havana Radio Havana Cuba in Spanish 0000 GMT 2 Jun 94

[Commentary by Roberto Morejon from the "Evening Information Review" newscast]

[Text] Today [1 June] marks the beginning of some price and fee increases agreed on by the Council of Ministers Executive Committee to cleanse the nation's domestic finances, which are being burdened by the circulation of a large amount of currency.

Surplus liquidity increased as the country found itself forced to reduce production and imports because of the termination of the fair and fruitful ties that had existed with the now dissolved socialist bloc.

The country's purchasing power was further reduced as a result of the tightening of the U.S. economic blockade. Eventually, supplies dwindled, and this led to Cuban workers who found that they held large amounts of money they could not spend.

Excess currency in circulation undermines the motivation to work and to produce, and it fuels the black market which benefits a group of citizens who dedicate themselves to profiting from the needs of the majority.

One way of collecting this excess money is by increasing prices on nonessential products and service fees, while making adjustments designed to protect certain sectors of the population.

In addition, the government will introduce these reforms gradually and will continuing subsidizing staples to the tune of 365 million pesos a year. This helps the family economy a great deal.

Today's cigarette price hike affects 3 million smokers, but addicts as well as those who do not have this harmful habit will continue receiving a monthly quota at prices below the new price, but always higher than the current price.

Another reform that went into effect today has to do with new prices on liquor—a category that rightly is considered nonessential. The impact of this price hike will not affect the entire population.

Today, 1 June, the fees for air and sea transportation to and from the Isle of Youth will also be increased, but the increases will be relatively modest.

With the implementation today of the new prices on cigarettes, liquor, and transportation to the Isle of Youth begins the first phase of a plan that will cover other nonessential products and services, although there will be some exceptions based on specific situations. These new prices and fees represent an increase in family expenditures, but everybody knows that the funds collected will be used to benefit society.

Tourism Workers Participate in Navy Exercise

FL0306011494 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Jun 94

[Text] Varadero is an ideal locale for tourism, but as a Cuban municipality, it is also involved in defense. A Cuban Revolutionary Navy [MGR] exercise was successfully held in this Matanzas Province municipality with the participation of tourism marina workers, who were grouped into special navy units. In peacetime, these units work to detect oil spills, illegal departures and landings, and drug trafficing, among other tasks. In wartime, they undertake specific tasks in support of regular MGR units and Border Guard troops, in close cooperation with ground and air troops.

The workers of the Aqua, Chapelin, and Gaviota marinas demonstrated the adroitness and readiness attained during different times of the exercise, which included a tactical scouting demonstration, the use of the Navy's firing range, and intercepting a target. Resources built with scarce materials and a lot of initiative were also presented. These resources help to increase the protection of Cuban shores against a possible enemy attack. Specialists from the five provinces comprising the Central Army were in attendance.

Varadero hopes to become the first municipality in Matanzas Province to attain the status of ready for defense in the second phase.

May Ends With Sugarcane Planting Behind Schedule

FL0306020594 Havana Radio Reloj Network in Spanish 0133 GMT 3 Jun 94

[Text] After surpassing the sugarcane spring planting program in April, the Sugar Industry Ministry was behind schedule at the end of May. Preliminary data shows that 8,700 caballerias have been planted; this represents a lag of over 5,000 caballerias, according to May projections. The excessive, continuous rains in the eastern provinces and the ensuing floods are among the causes for the delay. We must keep in mind that the sugarcane planting program is of national significance in Camaguey, Holguin, Las Tunas, Granma, and Santiago de Cuba Provinces. It is expected that the lost time will be recovered in June through tremendous planting efforts. Everything will mainly depend, however, upon the amount of land prepared to receive the seed.

Rum Production Projected Higher Than 1993

FL0306013194 Havana Tele Rebelde and Cuba Vision Networks in Spanish 0000 GMT 3 Jun 94

[Text] Rum production projected for 1994 ensures a steady supply of ration quotas and the current levels of sales in the food stores. The Liquors and Beverages Union will produce 33 million liters of rum in 1994, a volume slightly higher than in 1993. This was announced by union director Jose Manuel de la Osa. The Sugar Industry Ministry and people's government productions will allow the supply to reach 41 million liters in 1994. This does not mean, however, that rum sales can be deregulated, like what happened with cigarettes. The industry has the capacity to increase its volume of production, but does not have enough molasses and alcohols to satisfy the rum demand in the retail chain. De la Osa pointed out that increases in those essential raw materials will make it possible to increase rum production in the future. For the present, ration quotas per family unit, as well as the levels of distribution to the retail food chain, will continue in Havana and the rest of Cuba.

Cienfuegos Official Explains Refining Operations

PA0306022894 Havana Radio Havana Cuba in Spanish 0000 GMT 1 Jun 94

[Report on interview with Jose Luis Garcia, deputy director in charge of economic affairs at the Cienfuegos Oil Refinery, by Barbara Betancur; place and date not given; from the "Evening Information Review" newscast]

[Text] Officials from the Cienfuegos Oil Refinery, a modern-technology plant that has been in operation since 1989, are currently engaged in negotiations with a Mexican enterprise. As in other Cuban industries, refinery officials are trying to find a partner with whom they can jointly operate the enterprise. This would lead to the securing of adequate amounts of crude oil, to stable production, and to a market for that production. This was confirmed to Radio Havana Cuba by Jose Luis Garcia, the refinery's deputy director in charge of economic affairs.

Garcia said the Mexican side, along with Cuba, would make investments needed to help the plant improve its efficiency.

[Begin recording] [Garcia] This is a primary refining plant. We need a secondary process—in other words, heavy processing—to guarantee higher percentages of clear derivatives which garner higher prices on the world market. This would make the plant more competitive.

[Betancur] On our way here, we noticed that smoke was coming out of the chimney. Obviously you are refining oil. I would like to know what kind of oil you are refining right now and how the operation is going.

[Garcia] Right now, during the first four months of the year, we have had fairly stable refining of crude oil and a stable yield of oil byproducts for national use.

[Betancur] When you say crude oil, you are not talking about national crude oil, but about the crude oil we import, right? Do you refine Cuban crude oil here also?

[Garcia] So far we have been refining imported crude oil, not national crude oil.

[Betancur] How many derivatives can this refinery produce?

[Garcia] We have the ability to produce 3 million tons of refined fuel annually. We also produce the following derivatives: GLP, or normal liquid gas; naphtha; regular and premium gasoline; kerosene; diesel; and fuel oil. These are the derivatives. We also can produce elemental sulfur in our sulfur plant.

[Betancur] I understand you have two oil pipelines. What are these for?

[Garcia] At this plant we have two oil pipelines. One guarantees the stability of crude oil supplies from the Matanzas supertanker station. This is a 182 km-long pipeline. This pipeline links us to the port of Matanzas, a supertanker port, a port for deep-draft ships. We also receive crude oil at our docks. This is the oil we are using right now.

[Betancur] But this does not get here through an oil pipeline, does it? This is brought here from the local docks.

[Garcia] The other pipeline we have is for moving fuel oil to the Thermoelectric Central Plant next to our enterprise.

[Betancur] The smaller pipeline is for taking refined products to the Cienfuegos Thermoelectric Central Plant?

[Garcia] That is right. This pipeline was built to reduce fuel transportation costs from here to the Thermoelectric Central Plant.

[Betancur] How much savings does this pipeline represents?

[Garcia] More than $2 million annually because of the reduction in transportation costs and in the time ships spend unloading the product. It also contributes to protect the bay. We have a clean bay. This is possible because we have a very efficient plant for processing residuals. It keeps petroleum residuals at internationally acceptable levels. [end recording]

I want to report that in addition to the oil pipeline and the plant for treating residuals, the Cienfuegos Oil Refinery hosts the country's largest chimney, which is 192 meters tall—tall enough to keep gases expelled by the furnaces from polluting the environment.

Journalists Discuss Semantics of Economic Measures

FL0206233694

[Editorial Report] Havana Radio Rebelde Network in Spanish at 1600 GMT on 2 June features the "Straight Talk" Program with host Osvaldo Rodriguez from BOHEMIA magazine and guest Renato Recio from TRABAJADORES newspaper.

Rodriguez begins by asking: "Currently, what is being implemented? Is it or is it not a package of measures?" Recio explains that reporters have been using the term, "group of measures," rather than "package of measures," noting that the Miami EL NUEVO HERALD said that the measures being implemented in Cuba have a neoliberal character.

Recio asks: "Why avoid using the phrase, package of measures, even if we are talking about a significant group of measures? I believe the reason is precisely to avoid giving the impression that the measures respond to neoliberal policies. The phrase, package of measures, has always been associated with the neoliberal formula which, as we all know, is implemented overnight, even without cabinet-level discussions, but rather, by two or three influential people in the government, with premeditation, and under cover of night."

Rodriguez explains that it is more than just a matter of semantics; it is a matter of concepts. Recio adds that measures to correct economic problems are necessarily similar, no matter in what country they are taken, but that: "Cuba does not want to become a market economy."

Recio observes that despite the similarity of the measures being taken in Cuba with those abroad, the difference lies in the goal of the measures. Rodriguez and Recio discuss aspects of market-economy measures, but emphasize that in Cuba, the measures were preceded by extensive consultation with the people. Recio continues: "In Cuba, economic reforms respond to the social base from which the political power of the Revolution emanates—the workers, farmers, the people in general. This is why we do not have a struggle among social classes in Cuba." Recio adds that the issue is not what the measures are called, but what they seek to accomplish, and advises avoidance of the term, package of measures, because of the term's connotations.

Regarding the way the people have received the measures and the increased sacrifice that they entail, Rodriguez states: "I believe the initial reaction has not been very positive among the people in general because I do not believe the measures have been explained very well."

Recio calls on the media to further explain the measures to the people, explaining: "If these measures truly serve to increase production and food supplies, you will eventually increase your food intake and solve a number of current shortages. If we are to understand these measures as a sacrifice, we must see them as a welcome sacrifice because they will yield the results we seek." Rodriguez agrees that the sacrifices are obvious.

Recio closes with the statment: "As excess currency diminishes, black market prices will do so as well."

Robaina Stresses Importance of Ibero-American Summit

FL0306000594 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Jun 94

[Telephone interview with Foreign Minister Roberto Robaina in Cairo, Egypt, by Roberto Gili in Havana—live or recorded]

[Text] [Gili] We would like to know what the Cuban delegation to the Ibero-American Summit—to be held on 14-15 June in Cartagena de Indias, Colombia—expects to achieve.

[Robaina] These summits continue to be special occasions when we can meet without being ordered to do so by the Empire. The Ibero-American Summit, specifically, is already threatened by the Miami hemispheric summit, convened by the U.S. Government for the clear purpose of discrediting it. I believe that in light of such a maneuver, it is important for the Cartagena summit to be stronger than ever in terms of its development.

I have no doubt that, independent of their efforts, the Latin American peoples are increasingly more independent and will continue to find their own path. We need to see how the rest of America responds, but I have confidence in Colombia's readiness and the peoples' response. I believe this will be an important forum for discussion and that Colombia would like it to become a stage for debate, discussion, and unrehearsed speeches. I hope it will be a summit for action rather than intentions.

[Gili] Thank you minister.

Meets Guyanese Delegate, Egyptian Minister

FL0306004494 Havana Radio Rebelde Network in Spanish 2300 GMT 2 Jun 94

[Report by correspondent Froilan Arencibia from Cairo, Egypt]

[Excepts] Participants in the 11th Ministerial Summit of the Nonaligned Movement [NAM] have enthusiastically welcomed the Latin American group's decision to nominate Colombia as host country for the upcoming heads of state summit. The nomination will be made official tomorrow during the closing session of the summit. It is expected to be easily approved. The news was also enthusiastically received by the members of the Cuban delegation who volunteered to cooperate with Colombia.

In this regard, Foreign Minister Roberto Robaina affirmed that he trusts Colombia will contribute to the unity of the NAM and to revitalizing its role in the international arena. [passage omitted]

Robaina continued his program of interviews, which today included the representative from Guyana and Egyptian Foreign Minister 'Amr Mahmud Musa. Robaina and Musa discussed ways to find common ground in the economic sphere and conducted an exchange of opinions on the NAM summit. Musa invited Robaina to conduct an official visit to Egypt and Robaina likewise invited Musa to visit Cuba.

Later in the evening, Robaina met with businessmen, briefing them on the characteristics of Cuban economic policies.

Brazil Buys $30 Million of Pharmaceutical Products

PA0306030194 Madrid EFE in Spanish 0002 GMT 2 Jun 94

[Text] Havana, 1 Jun (EFE)—Today, Brazilian diplomatic sources informed EFE that the Cuban Government has sold Brazil a package of more than 50 pharmaceutical products—to be delivered by the end of June—for $30 million.

As part of an accord signed earlier this year, the agreement has three purposes: 1) to amortize the Cuban debt with official Brazilian entities, 2) to make a cash payment, and 3) to purchase Brazilian products. According to sources, the first delivery of medicines was completed in mid-May.

Via this transaction, Brazil hopes to receive approximately $3 million to cover the debts, the greater part of which are lines of credit from official banks for exporting products from Brazil to Cuba. Brazilian imports from Cuba traditionally include about 25 products, including soybeans, poultry, engines, tires, and polyethylene.

Cuba began delaying paying its Brazilian debt in 1989 during the process process that brought about the disappearance of the Soviet Union, which had been Cuba's leading trading partner and top supplier of commodities and spare parts.

In 1933, Brazilian exports to Cuba reached $9 million and imports from Cuba $21 million. To reactivate trade with Brazil, Cuban officials have offered $300 million in products, mainly medicines.

Iranian Construction Minister Arrives in Havana

FL0206155394 Havana Radio Progreso Network in Spanish 1100 GMT 2 Jun 94

[Excerpts] Iran's Minister of Construction Jihad Gholam Reza Foruzesh arrived in Havana accompanied by an ample delegation, made up of vice ministers and government authorities.

Foruzesh stated that relations between Cuba and Iran are very good and the purpose of his visit is to strengthen them even more. His visit will also cover the analysis of new areas of cooperation between both nations primarily in the areas of technology and fishing. Foruzesh will analyze, together with Cuban authorities, the paths for broadening trade and economic relations in a short period of time with Cuba .

The delegation will cover a tight agenda during their visit to Cuba, from which new projects could develop. [passage omitted]

[Begin Foruzesh recording in Persian with passage by passage translation into Spanish] There are very good relations, especially diplomatic ones, between Cuba and Iran. We have come to analyze new areas of cooperation between both nations, primarily in the areas of technology and fishing, as well as to study new paths for broadening trade and economic relations. I see this future cooperation as a clear and positive. [end recording]

Minister of Foreign Trade Ricardo Cabrisas and Jose M. Miyar, both members of the Central Committee of the Communist Party of Cuba, greeted the Iranian delegation upon their arrival.

Dominican Republic

Foreign Secretary: Haitian Embargo Respected

PA0306010694 Panama City ACAN in Spanish 2310 GMT 2 Jun 94

[Text] San Salvador, 2 Jun (ACAN-EFE)—Today in El Salvador, Juan Aristides Taveras, foreign relations secretary of state, said his country has never violated the UN and OAS embargo on Haiti. At a news conference, Taveras added that his country knows Haiti "is not guilty of its poverty," but the Dominican Republic "has lent Haiti a hand" in only those areas permitted under the terms imposed by the international community.

Taveras emphasized the UN as well as the OAS are aware of the fact that the Dominican Republic "has never violated the embargo." He added, however, "they continue to hold a grudge against us, which is unfair."

Fernando Infante, Dominican ambassador to El Salvador, pointed out that his country disagrees with the embargo against Haiti because we "know it will fail to resolve Haiti's problems, but, as a UN member, the Dominican Republic has to obey and respect the UN decision." Infante stressed that his country opposes "any type of invasion" in Haiti, because invasions "have never proven beneficial anywhere."

According to reports coming from Santo Domingo, Joaquin Balaguer's administration changed its mind from failing to comply with the UN and OAS embargo to accepting a tight embargo against Hait, an embargo that includes even foodstuffs and medicine.

Foreign Secretary Taveras, who came to El Salvador to attend Salvadoran President Armando Calderon Sol's inauguration on 1 June, said the international community has never recognized the efforts his country made to help Haiti before the embargo went into effect.

The official noted: "My country's government, in order to overcome this grudge against us, went to the extreme of asking the UN to send in advisers, supervisors, and technical experts who, in plainclothes, will help us ensure the embargo is not violated. Our Armed Forces are the ones who are currently supervising this task."

Haiti

Jonassaint Government Denies Freezing AID Funds

PA0306012094 Madrid EFE in Spanish 2311 GMT 2 Jun 94

[Text] Port-au-Prince, 2 Jun (EFE)—Today, the "de facto" government presided over by Judge Emile Jonassaint denied it has frozen some $800,000 the executive branch of Prime Minister Robert Malval has in the Central Bank. This money was donated by AID.

"These are rumors," the government indicated in a communique released to the media by "de facto" Economy Minister Rigaud Duplan. Duplan said the decision to freeze the funds had been made by AID officials.

Duplan maintained that only this organization has the right to authorize the opening and closing of state checking accounts. [sentence as received]

"The government's measure to freeze all accounts is not directly related to any program to finance humanitarian aid," Duplan explained.

He added that on 27 May, AID asked the person in charge of the "PL-480" program, which is responsible for regulating food assistance, to freeze all operations and withdraw money from the account in the Central Bank. Despite this request, the Central Bank refused to hand the money over to the government of constitutional Prime Minister Robert Malval and to AID when it wrote a check to recover the funds and transfer them to another bank.

A Central Bank source said the people in charge of the institution acted in accordance with a decision of the Economy Ministry to "freeze" the use of funds to the Malval government, adding that they were not forced to do so by the Army. The money in the account comes from the sale of food donated by AID to the Malval government to finance humanitarian aid for the poorest sectors of the population.

The constitutional government has not yet reacted to this decision by the "de facto" government, which wants to use this money to finance "its social programs."

Colosio Investigation Commission Resigns

PA0206180394 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 31 May 94

[From the "Early Morning" newscast]

[Text] Following a meeting with President Carlos Salinas de Gortari, the citizens' commission to help in investigating Luis Donaldo Colosio's homicide has declined the chief of state's invitation. This statement was made after members of the commission submitted their written resignation to the president. They believe their work is unnecessary in view of the investigations being conducted by Special Assistant Prosecutor Miguel Montes.

The citizens' commission told President Salinas that all the members agree the commission must be independent. The only legal procedure that could give legitimacy to the citizens' commission is if Mrs. Diana Laura Riojas [Colosio's widow] appoints them as assistants of the public prosecutor's office and judicial authorities.

Thousands March Demanding Governor's Resignation

PA0206205794 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 1 Jun 94

[From the "Early Morning" newscast]

[Text] Tuesday, thousands of Tlaxcalan residents took to the streets to demand the resignation of Governor Jose Antonio Alvarez Lima. Dissident teachers of sections 31 and 35 of the Trade Union of Education Workers [SNTE] seized the Government Palace and kidnapped local Government Director Jose Luis Arhuijo. The teachers demand solutions to their salary-increase demands. Most businesses are closed and government offices and banks have closed.

New Mexico City Precinct Delegate Named

PA0206164694 Mexico City XEW Television Network in Spanish 0430 GMT 2 Jun 94

[From the "24 Hours" newscast]

[Text] Changes were made today in two precincts [delegaciones] of the Federal District. Today, the Benito Juarez Precinct delegate was changed. Enrique Jackson, government secretary of the Federal District Department, presided over the ceremony, in which authorities bid farewell to Roberto Ortega Lomelin and welcomed Jose Ramon Martel as new delegate. Ortega Lomelin thanked residents of Benito Juarez Precinct for their continued support for over five years.

[Begin Ortega recording] What we were able to accomplish was made possible thanks, in large part, to an effective, enthusiastic team, a team with a great service calling. Thank you very much to my team of collaborators. [end recording]

The new Benito Juarez Precinct delegate pledged to continue security, grounds use, and public service programs.

[Begin Martel recording, broadcast in progress] ...is to continue work initiated by authorities of this precinct. We will continue to be meticulous and careful with the use of grounds. We will continue to support public security. [end recording]

Martel served as delegate in the Tlahuac Precinct until yesterday. The ceremony was attended by members of the Benito Juarez Precinct Residents Board.

Safety Secretary Remarks on Dismissal of Police

PA0206224594 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 1 Jun 94

[Report by Rebeca Sanchez from the "Early Morning" newscast]

[Text] In the past 17 months, 2,040 metropolitan policemen have been dismissed on charges of insolence, abuse of authority, physical aggression, intimidation, blackmail, and for soliciting bribes, reported General Rene Monterrubio, roads and safety secretary, when he appeared before the Federal District's Assembly of Representatives.

[Begin Monterrubio recording] As a result of procedures for police justice during the past 17 months, police authorities approved 2,040 discharge or dismissal resolutions; 212 admonishment resolutions; 212 [word indistinct] charges; 1,209 arrests; and 105 admonishments [as heard]. [end recording]

Commenting on his organization's achievements, Monterrubio cited this past April's creation of the Honor and Justice Council to fight impunity and improve discipline of the police corps. He said there have been 18,312 preventable crimes in the Federal District so far this year.

He said his work as head of the Metropolitan Police is aimed at changing its image, performing a professional job, and consolidating an administrative structure capable of offering a better service to the community.

[Begin Monterrubio recording] The police must represent a guarantee for the people's security and peace, not be the cause of insecurity and unrest. [end recording]

Four Groups Control Drugs, Have 'Corruption Mattress'

PA0206172494 Paris AFP in Spanish 1632 GMT 31 May 94

[Text] Mexico City, May 31 (AFP)—Mario Ruiz, the deputy attorney general of the Republic, stated this Tuesday, that drug trafficking in Mexico is controlled by four large groups that have "all the economic and technological resources to conduct their activities."

In an interview given to the Monitor newscast, the official admitted that the powerful Mexican traffickers have a "corruption mattress" among the police and they also have "ties with international capos."

The Mexican capos are the Arellano Felix brothers of the Tijuana cartel, Hector Palma of the Sinaloa cartel, Juan Garcia Abrego of the Tamaulipas cartel, and Amado Cardillo of the Juarez cartel, the deputy attorney general stated.

Ruiz, who recently gave Federal Judicial Police [PJF] members a one-month ultimatum to arrest the drug chieftains, said the Attorney General's Office (PGR) is attempting to break the intermediate structures of the banks. He pointed out that until the capos are arrested, the authorities will attempt to interrupt the flow of money and drugs to the cartel chieftains.

The deputy attorney general said getting to the capos is very difficult as they have a "corruption mattress" as well as "all the economic and technological resources to move about and even to leave the country and return. It is, thus, very difficult to search for them." He added, however, "when we arrest intermediate drug traffickers, they will give us information that will allow us to achieve bigger objectives."

Ruiz admitted the struggle against drug trafficking is an endless war, but as long as the institutions and the PGR continue to battle they will be able to control the situation and, in principle, stop drug-trafficking activities from growing.

Last weekend, Ruiz demanded that the PJF in charge of the fight against drug traffickers arrest the drug chieftains. Ruiz said that if the PJF does not make arrests, they will be charged with negligence or complicity and they will be subjected to justice. He explained there is evidence tying policemen with organized crime but he asserted that most of the PJF members are honest. He said the PGR is determined to get results, such as a large quantity of drugs seized and the arrest of more drug traffickers.

Article Views 'Cosmetic' Economic Growth

PA0306025194 Mexico City EL FINANCIERO in Spanish 30 May 94 p 3

[Article by Luis Acevedo and Marcos Chavez]

[Text] Government optimism based on a modest increase in the gross national product [GNP] in the first quarter of 1994 offers cosmetic economic growth with the apparent intent of not impeding electoral goals. Nevertheless, facts indicate serious signs of deterioration in production investment, domestic sales, the inability to generate jobs, and a growing deficit in the foreign sector.

According to the SHCP [Secretariat of Finance and Public Credit], Banco de Mexico, INEGI [National Institute of Geography, Statistics, and Data], IMSS [Mexican Social Security Institute], and various private organizations, 130,000 paying jobs were lost between January and March. The development of various productive sectors is still heterogeneous, with an average unemployment rate of 70 percent. The trade balance deficit grew 18 percent, and businesses in general are facing heavy financial burdens resulting from an increase in interest rates.

The following sectors, which collectively contribute 68 percent of the GNP in manufacturing, have remained in recession: food production, the textiles industry, lumber, printing, chemical production, and the nonmetallic minerals production.

As if this were not enough, prevailing conditions are not ripe for a 5-percent inflation target by year's end, even though consumer prices have been the lowest in a long time. Up until the first half of May, 58 percent of the overall inflation goal had already been attained.

Nevertheless, there is an assurance a firm monetary management will prevent the transition of public administration from incurring serious problems as in the past, particularly because no presidential candidate has advocated a modification of the structural indicators of the economic strategy.

The 0.5-percent growth in the GNP between January and March does not guarantee the economy can overcome the prevailing recession or that it can reinitiate a sustained growth that could dampen any electoral expectation. Financial authorities have presented this position as a departure from the poor performance during the last quarter of 1993.

There are signs suggesting the hoped-for economic reactivation possibly ran out of steam during the second quarter, and with great difficulty it could progress by more than one half of a percentage point. Under the best of circumstances, economic growth could be 1 percent during 1994.

During most of the first quarter of the year, mild economic conditions prevailed, reflecting the overall results of official statistics, but that does not demonstrate the economy's real condition.

Up until the end of March, inflation and interest rates were low; the exchange rate remained below the limit of the top floating ceiling; domestic and foreign demand was slightly reactivated, and the domino effect resulting from the increase in public spending boosted several economic sectors. Moreover, investment recovered in January.

This is why the sectors that demonstrated the best performance were geared toward countries abroad while traditional economic activities are still in a recession or a structural crisis.

As analysts of the TENDENCIAS ECONOMICAS Y FINANCIERAS have indicated, the economic setback resulting from the sociopolitical situation at the end of March will be felt during the second quarter of the year, despite definite stability in the financial and exchange markets.

The peso already suffered a 6-percent devaluation with regard to the dollar in May.

The transfer of foreign capital passed from Treasury Certificates to Treasury Bonds. The flight of capital was checked, but it also revealed a mistrust in the exchange rate. The cost of credits rose almost 100 percent, and domestic and foreign investments were reduced.

Many companies are suffering from a loss in demand and revenues due to the high cost of financing and losses in the exchange rate.

The economic expectations for the third and fourth quarters are no better. Pre- and post electoral uncertainty could hinder the hoped-for economic recovery.

Despite minor growth, the trade deficit accumulated a balance of $4.29 billion between January and March, 18.9 percent higher than the same period in 1993 when the economy expanded 2.4 percent. At this pace, the trade imbalance could close at the end of the year at approximately $16 billion.

The SHCP, as stated in its Report on the Public Economic and Financial Situation, maintains that since November, "there have been continued signs coinciding with the first phase of the expansive stage in the economic cycles," meaning "we are on the right road, headed for the" programmed "goals."

Official optimism is based on low prices and a 0.5-percent increase in the GNP, supported by an improvement in certain activities. This is particularly true of those activities oriented toward countries abroad and the construction industry, as well as the appropriate management of public finances, among other factors.

Nevertheless, the private sector no longer presents carefree accounts. For Banamex [National Bank of Mexico], recovery is not clear, while there are factors that could delay and limit it. Investment projects could be postponed. Low consumption could lead to an increase in inventories and a decrease in production.

Meanwhile, Bancomer [Bank of Commerce] has adjusted its GNP forecast to 1.8 percent with a 7.5-percent inflation rate. Bancomer believes growth will be tangible toward the third quarter, as long as economic stability and political assurance prevail.

For the stock company Vector, coinciding with the stock company Probursa and with the Industrial Promotion Office, the panorama is not as favorable as it was in November. These investment firms suggest businesses plan strategies for the short and long term.

For the investment company InverMexico, "political uncertainty, high interest rates, and the exchange rate will most likely influence a new slowdown in investment, productive activity, and consumption." Thus, slow growth is expected for the first six months and up to the fourth quarter when reactivation is confirmed. The annual GNP is presently 1.5 percent, half of what was originally forecast. Meanwhile, TENDENCIAS ECONOMICAS Y FINANCIERAS forecasts a 1-percent GNP. INEGI and Bank of Mexico data justify a cautious position.

Except for public and investment accounts, which increased 5.2 percent in January, supported by factors of the construction sector, equipment, and imported machinery, other indicators have deviated from their goals.

Despite slow growth in domestic demand (consumption and investment), accumulated inflation has deviated from its fixed goal.

Prices in May were recorded at 2.84 percent as opposed to a 2.1-percent variation required to attain an annual rate of 5 percent, indicative of a 56.8-percent increase and not the 42 percent required to close the year with a 5-percent rate. Inflationary deviation will be no greater than the established target thanks to its effect on money expenditures, investment, and production.

The modest improvement in the GNP during the first quarter, much lower than the growth in population, cannot be considered as too encouraging, given it is highly uneven, unsuitable to encourage more employment, and spurred by a growing trade deficit.

Growth was observed only in the transportation and financial sectors, as well as in other activities such as mining, construction, electricity, basic metals, machinery and equipment, manufacturing, and assembly plant industries.

In February, there was a slight drop in annual accumulated production in the mining, construction, electricity, assembly plants, machinery, and other manufacturing sectors.

A recession continued in the food, textiles, lumber, printing, chemicals and nonmetallic mining industries, which contribute nearly 68 percent to GNP manufacturing.

Average unemployment in the manufacturing industry dropped significantly during the first quarter: 27.1 percent as opposed to 27.6 percent during the same period in 1993.

Recovery in this sector was accompanied by a drop in employment in activities such as wholesale trade, assembly plant industries, and manufacturing.

Thus, IMSS beneficiaries dropped 1.3 percent and the average unemployment rate during the month of March increased to 3.8 percent. Nearly 81,370 jobs were lost in the construction sector between December 1993 and February 1994.

The drop in sales could become a serious obstacle to production. On average, wholesale activity fell 1.2 percent, while retail fell 5.9 percent. This drop in demand affects mostly activities such as food, textiles, paper and pulp, petrochemicals, and others.

RFE Director, PRD Member Debate Electoral Registry

PA0206131294 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 31 May 94

[From the "Early Morning" newscast]

[Text] On Monday night, Carlos Almada, director of the Federal Voter Registry [Registro Federal de Electores—RFE] and Samuel del Villar, representative of the PRD

[Party of the Democratic Revolution] to the Federal Electoral Institute [IFE], held a 45-minute debate on the electoral registry. The central topic of debate was the mechanisms used to certify the trustworthiness of the electoral registry. Here is a report by Francisco Rubio:

[Begin recording] [Rubio] On one side was a PRD alternate representative, who aggressively made charges of alleged irregularities in the electoral registry, and on the other side was the RFE executive director, who one by one rebutted the attacks with answers backed by the figures that have already been released to the public. Samuel del Villar, alternate PRD representative to the IFE, said the irregularities detected by the PRD members in the electoral registry are the result of the connection between the PRI [Institutional Revolutionary Party], IFE, and Salinas de Gortari.

[Del Villar] We began by confirming the Salinas-PRI-IFE-RFE connection with regard to the authority to grant voting cards and to make registrations in the list of voters.

[Rubio] The response was not long in coming. Regarding charges about close links between former IFE officials and now state authorities, RFE Executive Director Carlos Almada said personal biographies were not the issue.

[Almada] I categorically reject the conclusions and the analyses of Dr. del Villar this evening. They simply do not coincide with reality.

[Rubio] Amid countless technical explanations that diverted viewers' attention for several moments, Carlos Almada reiterated that of the 50 million Mexicans [eligible to vote], 47 million are registered in the electoral registry. He said 44 million have voting cards that have their photographs. Therefore, they will appear in the voters' list. In other words, 95 percent of Mexicans [eligible to vote] can cast their vote. He ruled out that there are ghost voters.

[Almada] The ghosts are of flesh and blood. We find them in Tabasco. We find them in the Federal District. We can go see them whenever you want.

[Rubio] Nevertheless, there was no clear explanation by the RFE executive director about the high cost of the external audit of the electoral register by eight private companies, one of them the Mackinsey firm which, according to Samuel del Villar, is also linked to the PRI.

[Almada] As for the sum for Mackinsey, the accountants will see to it and will resolve it.

[Rubio] During the televised debate between Samuel del Villar and Carlos Almada, there were no winners or losers, only a society more informed about the environment that will prevail during the 21 August elections. [end recording]

PAN's Fernandez Refuses To Participate

PA0206180494 Mexico City Canal 13 Television Azteca Network in Spanish 1300 GMT 31 May 94

[From the "Early Morning" newscast]

[Text] Diego Fernandez de Cevallos, National Action Party [PAN] presidential candidate, has reiterated to the media what he has been saying all along: he will not participate in the debate among all the presidential candidates. On 28 and 29 May, he said the following:

[Begin Fernandez recording] I believe that if there is time for multiple debates, it makes no sense for all of us to meet on the same day and at the same time, especially when the objective of the debate has already been expressed. I repeat, I think there is enough time; it makes no sense for us to meet at the same time and place. [end recording]

Roundup of Electoral Developments

PA0306002394

[Editorial Report] The following is a compilation of reports on developments related to the elections scheduled for 21 August.

While visiting two towns in Chiapas State, Rafael Aguilar Talamantes, presidential candidate for the Cardenist Front for National Reconstruction Party, cited his party's support for farm occupations and takeovers. He said "we must discuss each case and hold talks to correct any abuses, even those committed on our side." (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

During his second day in Chiapas State, candidate Aguilar Talamantes told the residents of Guitiapan the "method of struggle Subcommander Marcos and the Zapatists use cannot work or effect good results; we know that." (Mexico City XEW Television Network in Spanish 0430 GMT 28 May 94)

PRD candidate Cardenas has visited Mesa de Alcoyotic, Mexico State, and commented on the announcement the PRD (Party of the Democratic Revolution) and PAN (National Action Party) had established a pact of nonaggression: "We do not sign pacts. We will behave respectably and adhere to PRD principles and respond how we must." He also expressed support for the idea of more debates with the other presidential candidates. (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

Commenting on an invitation from PRI (Institutional Revolutionary Party) candidate Zedillo to the other presidential candidates to hold a debate, PRD candidate Cardenas has asked the other candidates to agree on "this next debate, as well as on the others we may hold up to 21 August." He also proposed holding debates between two candidates. Cardenas has also said the news media, Televisa, Television Azteca, and Multivision in particular, should give all the candidates the opportunity to comment on the debates after they are over. (Mexico City XEW Television Network in Spanish 0430 GMT 28 May 94)

In Guerrero State, PAN candidate Fernandez has said he disagreed with Zedillo's proposal to hold a debate with all the presidential candidates. He did not rule out the idea, however, saying he supported "finding mechanisms and reasonable formulas to continue the debates." The

debates, he said, should not be an "ambush to stop PAN's struggle in winning the Presidency." The PAN candidate also endorsed a final revision of the electoral lists with the participation of all the political parties. (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

At the conclusion of a meeting with businessmen from the southern area of the Federal District, candidate Fernandez announced his party and the PRD have established a "pact of nonaggression" in order to end mutual accusations. During his meeting with the businessmen, he pledged to amend the Federal Labor Law, without "hurting the gains of the workers," and to implement a "social market economy based on freedom and private initiative." (Mexico City EL FINANCIERO in Spanish 26 May 94 p12)

Talking to tourism students at the San Angel Higher Studies Center, Mexican Green Ecologist Party presidential candidate Jorge Gonzalez described as "totally undemocratic" candidate Fernandez' rejection of a debate with all the presidential candidates. (Mexico City XEW Television Network in Spanish 0430 GMT 28 May 94)

At the Isthmus of Tehuantepec, Marcela Lombardo, presidential candidate of the Popular Socialist Party, has told reporters she accepts Zedillo's invitation to participate in a debate. (Mexico City XEW Television Network in Spanish 0430 GMT 28 May 94)

Pablo Emilio Madero, presidential candidate of the National Opposition Union (UNO), began a visit to Guanajuato State that will take him to 14 municipalities. He met with his supporters at Dolores Hidalgo Square where he said "peace and tranquility should not be the lack of armed violence only; there should be peace and tranquility because the votes are respected." (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

If elected, "I will make the tax burden more equitable," candidate Madero told his supporters at Juventino Rosas during his second day of campaigning in Guanajuato. (Mexico City XEW Television Network in Spanish 0430 GMT 28 May 94)

Speaking to party supporters, PRI national leader Ignacio Pichardo Pagaza has said the PRI trusts it will win in at least 40 districts of Mexico City. He said the Mexican revolution will be maintained until the turn of the century with "the majority vote of the Mexican people." He spoke after swearing in Fernando Lerdo de Tejada and Juan Carlos Sanchez Magallan as PRI president and secretary general, respectively, of the Federal District. (Mexico City UNOMASUNO in Spanish 1 Jun 94 p 9)

During her first day of campaigning in Chiapas State, Labor Party (PT) presidential candidate Cecilia Soto Gonzalez agreed to hold a debate with the other eight presidential candidates and proposed it be held on 1 June. (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

While in San Cristobal de las Casas, Chiapas State, Soto said the peace process is not advancing, because "the state and federal governments lack a sufficient commitment to resolve the problem of landownership and land reform." (Mexico City XEW Television Network in Spanish 0430 GMT 28 May 94)

In Mexico State, Jorge Gonzalez Torres, Mexican Green Ecologist Party presidential candidate, has said Article 27 of the Constitution had to be amended back to the way it was originally drafted in order for the 21 August elections to be credible and honest. (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

Today, Alvaro Perez Trevino, presidential candidate of the Authentic Party of the Mexican Revolution, said Ernesto Zedillo is the country's best option. He reiterated what he said a month ago in the studios of Radio Acir. Trevino said if he does not win the elections, he will support Zedillo. He has said his party is not a parastate party or a satellite of the PRI. (Mexico City Radio Acir Network in Spanish 0000 GMT 1 Jun 94)

During a ceremony at PRI headquarters, candidate Zedillo spoke in favor of maintaining a "healthy distance" between the government and PRI. Zedillo has said: "We want a nation of welfare, opportunities, and a firm hope," saying poverty in Mexico does not admit "indifference or evasion." Zedillo has said his efforts will be directed at increasing the people's security and property, eliminating impunity, and fighting narcotrafficking. Zedillo has recognized the merits of President Carlos, saying he has left the PRI government a legacy of patriotism and undaunted determination. (Mexico City EL FINANCIERO in Spanish 30 May 94 p 6)

As instructed by Zedillo, the PRI has sent representatives to Japan, the United States, South America, Spain, and Portugal to brief the country representatives on the electoral process that will take place in Mexico in August, Jose Angel Gurria has announced. They will strive to guarantee the elections in Mexico will be clean so that foreign investors will not lose confidence in Mexico. (Monterrey EL NORTE (Foreign Edition) in Spanish 30 May 94 p 4A)

During a meeting with reporters in Saltillo, Cahuila State, Zedillo has said that so far none of the presidential candidates has formally replied to his proposal to hold a debate. He said he hoped all the candidates would agree to participate. He described the disappointment among PRI members regarding the selection of candidates as normal, adding the PRI "has again shown its strength, unity, and will continue to strive to win democratically." (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

Zedillo has flown to Ciudad Juarez, Chihuahua State, and visited an assembly plant. He has promised to sustain sources of employment but, rather, "under decent conditions" for workers. During a meeting with local businessmen, he heard of their views on the bad economic situation, the crime wave, and drug trafficking. "We are going to reform our country's apparatus of justice," he said. Zedillo also met privately with PAN Governor Francisco Barrio. If elected, the PRI candidate affirmed, he will

maintain close cooperation with local governments ruled by opposition parties. (Mexico City XEW Television Network in Spanish 0430 GMT 27 May 94)

Zedillo has expressed reservations about signing several points of the Agreement for Democracy. He asked for a four-week period to present suggestions to the commission sponsoring the agreement. Zedillo has said the idea behind the agreement is good but that the agenda must be broader on judicial matters and on the division of power. So far, only PAN candidate Diego Fernandez, PRD candidate Cuauhtemoc Cardenas, and PT candidate Cecilia Soto have signed the agreement. (Monterrey EL NORTE (Foreign Edition) in Spanish 31 May 94 p 1A)

Costa Rica

Figueres: Policy Toward Cuba To Be Reviewed

PA0206202394 Mexico City NOTIMEX in Spanish 1923 GMT 1 Jun 94

[Report by Enrique Mora]

[Text] San Jose, 1 Jun (NOTIMEX)—Costa Rican President Jose Maria Figueres said that because of world changes, the collapse of ideological barriers, and the end of the Cold War, Costa Rica believes that it should review its policy toward Cuba.

Figueres, in statements to NOTIMEX, said he considers "this review of the Cuban case should be done by all the hemisphere's countries, to find a peaceful solution to the island's situation."

It is not a question of establishing relations in the near future. It is a question that relations with that country should take on a new, broader outlook, more in accordance with the international situation, Figueres said.

The president has repeatedly said that the solution to the Cuban problem should be dealt with through negotiations at the hemispheric level, to avoid bloodshed in Cuba.

The government of former President Rafael Angel Calderon Fournier (1990 to May 1994) on several occasions spoke of the need to resolve Cuba's integration into the inter-American system through dialogue, in order to avoid bloodshed.

During the last UN General Assembly, Costa Rica voted with the majority of countries against the U.S. blockade of Cuba.

Costa Rica considers the U.S.-imposed blockade of Cuba a violation of international law contrary to the spirit of free trade, which the United States promised to respect through the General Agreement on Tariffs and Trade (GATT).

On this same topic, Foreign Affairs Minister Fernando Naranjo, underscored that "today Cuba lives under an oppressive political and economic situation, in which the people are the ones who suffer."

"The Cuban people deserve a better future, and it is Latin America's obligation to raise its voice in defense of democracy, sovereignty, and liberties for the entire hemisphere," Naranjo explained.

The foreign minister clarified that "Costa Rica is not willing to support actions that condemn a people to hunger, poverty, and oppression, because respect of all human rights is part and parcel of being Costa Rican."

Naranjo pointed out to N0TIMEX that "Cuba's delicate situation should be analyzed in depth by all countries in the hemisphere because of international changes that have taken place," such as the end of the East-West conflict and the end of the Cold War.

"If Costa Rica is able to contribute anything, if Costa Rica can add its grain of sand to find a solution to Cuba's crisis, we are willing to play that role, because passivity is the worst mistake at this moment," Naranjo stressed.

The foreign minister said that "hopefully all Costa Ricans will join together to encourage a hemispheric position in the case of Cuba, and this is in full agreement with the democratic principles the American continent today brandishes with pride."

Foreign Minister: OAS Should Review Cuban Crisis

PA0306033594 Paris AFP in Spanish 1610 GMT 2 Jun 94

[Text] San Jose, 2 Jun (AFP)—Today, the local media reported that Costa Rican Foreign Minister Fernando Naranjo categorically rejected an eventual resumption of diplomatic relations between Costa Rica and Cuba, although he stressed his country "will voice the concerns" of the island within the OAS.

"Neither the president of the Republic, the foreign minister, nor the country has considered resuming diplomatic relations with the government of Fidel Castro," Naranjo told the Costa Rican newspaper LA NACION, while clarifying his government's position on Cuba.

The Costa Rican Government has referred to the need to reconsider the "Cuban case" within the OAS, from which Cuba was suspended more than 30 years ago after the installation of a military regime in Cuba.

According to the foreign minister, the government will push for an in-depth analysis of the Cuban crisis by the nations of the hemisphere, because "Cuba is currently facing an oppressive political and economic situation."

"We are not going to become spokesmen for the regime of Fidel Castro, because we cannot agree with a government that does not respect human rights," Naranjo reiterated to the domestic media. He also stressed that the OAS "will have to heed the voice of the Cuban people."

Naranjo is trying to thwart criticism from the opposition, which has claimed that the government's position is the result of "improvisation" because no changes have taken place in Cuba to justify a shift in Costa Rica's policy toward the island.

Costa Rican President Jose Maria Figueres, who assumed power on 8 May, has stated that changes in the international situation demand a revision of Costa Rica's policy toward Cuba to "advance the principles of human rights and democracy."

Guatemala

Army Spokeswoman Blames URNG for Bomb Attacks

PA0306043494 Guatemala City PRENSA LIBRE in Spanish 2 Jun 94 p 3

[Text] Army spokeswoman Edith Vargas de Marroquin has blamed the Guatemalan National Revolutionary

Unity (URNG) for last night's bomb attacks against a shopping mall and the residence of Fernando Quezada Toruno.

The Army spokeswoman has said the guerrillas are the only ones capable of placing such bombs, which endanger the lives of the people, as what happened the night of 31 May when they exploded in the urban sector.

The explosions caused damage to Climat, a boutique located at No. 13-70 7th Avenue, Zone 9, and the residence of lawyer Fernando Quezada Toruno, the brother of Monsignor Rodolfo Quezada Toruno, president of the Civil Sectors Assembly.

The URNG could be responsible for the two bombs at the two locations, Government Minister Danilo Parrinello Blanco said yesterday.

We knew of a terrorist escalation, but we cannot ascertain the guerrillas are responsible for the bomb explosions, although, by logic, we can surmise they did it, the minister said.

There is no other reason to think this was an action by another group, but the investigations under way will confirm it, Parrinello Blanco concluded.

URNG: De Leon, Army Obstacles to Peace Talks

PA0206184994 Guatemala City LA REPUBLICA in Spanish 31 May 94 p 3

[Text] According to a political statement issued in Mexico, the Guatemalan National Revolutionary Unity (URNG) general command charged last night, that President Ramiro de Leon Carpio and the top National Army commanders are the ones most interested in blocking the negotiations to achieve peace in Guatemala.

The guerrilla bases its charges on three fundamental points which are included in the statement sent to our offices. The statement says the Guatemalan Government's Peace Commission is "strong and untruthful" and describes it as:

1. "Deceitful, because it has attempted to describe its position as humanitarian. However, it has ignored the most salient aspects of the displaced people's plight—the magnitude of the problem and the social trauma it causes—and reduced it to the ridiculous, insignificant, and precarious government policy it has started to implement."

2. "Incoherent, because it rejects the calls of society and the demands of justice on this important issue as expressed both by the Civilian Society Assembly and the URNG at the negotiations table."

3. "Obstructionist, because it places conditions, such as a cease-fire in the area assigned to the returning displaced people, when this is totally out of place," the rebel organization statement asserts.

Regarding the last point, the URNG stated that the cease-fire condition does not correspond to the issue or to the validity of the agreement. It explained that the resettlement areas are not combat zones and added that "faithful compliance with the Global Agreement on Human Rights and its immediate verification include and guarantee the situation of the civilian population who are not combatants."

The URNG also charged that the National Army started an offensive in the Ixcan zone yesterday. According to the document, the Army has concentrated six elite troops, including paratroopers and battalions with orders to act against the Communities of Resistant People (CPR.)

The URNG demanded that the government end its national campaign on the development of the negotiations as it considered the campaign should present the situation to Guatemalan society in an impartial manner and with a political will to end the conflict.

Also, the URNG pointed out that there is no excuse for evading the commitment to negotiate, on the scheduled dates, the issues related to the integration of a commission to investigate human rights violations, without ending the discussions on the displaced population, as stipulated by the 29 March declaration when the Global Agreement on Human Rights was signed.

Refugees Commissions on Return of Refugees

PA0306035994 Guatemala City SIGLO VENITIUNO in Spanish 30 May 94 p 47

["Paid Publicity" by the Permanent Commissions of Representatives of Guatemalan Refugees in Mexico (Comisiones Permanentes de Representatives de Refugiados Guatemaltecos en Mexico—CCPP) issued in May 1994 in Guatemala City]

[Text] **The CCPP, in view of the government's noncompliance with the agreements signed on 8 October 1992, which permit the voluntary and dignified return of our brothers, would like to inform national and international public opinion:**

First:

That we announce the return of our brother refugees from Mexico to the farm La Quetzal, La Libertad Muncipality, Peten Department, will take place on 27 June, according to the government and CCPP agreement.

In view of the government's lack of respect and irresponsibility in connection with the signed agreements, we hold the government responsible for any attack or incident against the personal safety of those returning as well as against those who offer their solidarity by accompanying them.

Second:

That the CCPP, always respecting what has been agreed, presented to the CEAR [Special Commission for Assistance to Repatriated People] on 14 April a plan of operation for the return of the refugees, thus complying with the agreements in which it is stated the refugees may return 60

days after the plan is presented, meaning in our case the return to Guatemala can legally take place after 15 June.

Third:

That one of the seven agreements dated 8 October establishes that the refugees may decide how, when, and where they will return. We have decided to return to El Peten, specifically to the farm "La Quetzal," which is private property, and an agreement has already been reached for its purchase from current owners.

To this avail CONAP [National Council for Publicity] has issued an opinion that at least 20 percent of this farm may be used for settling. Nevertheless, afterward, and to block our return, CONAP contradicted itself and has said it is illegal to settle in "El Quetzal," because it is a part of the Maya Environ. CONAP has always opposed our return, despite the fact they and several institutions have made studies indicating only 80 percent of the farm lies within the environ and the number of families that will settle will not endanger forest conservation or the environment.

Fourth:

We call on the national and international community to speak up regarding this situation and demand the Guatemalan Government comply with the agreements signed on 8 October 1992, without further delays or pretexts.

Fifth:

We ask the verification board to issue the report requested on 24 March 1994.

Sixth:

Last, we summon the accompanying forum [foro de acompanamiento] to establish a permanent assembly to accompany the movement's return to El Peten, which, we repeat, will take place on 27 June.

[Issued] Guatemala City

[Dated] May 1994.

The return is a right of all Guatemalans, and it is essential to the national process of reconciliation.

Return is struggle, not resignation

Permanent Commissions of Representatives of Guatemalan Refugees in Mexico, CCPP

Taiwan Prime Minister, Delegation Begin Visit

OW0306090694 Taipei CNA in English 0719 GMT 3 Jun 94

[By Huang Kwang-chun, Lo Kwang-jen and Sofia Wu]

[Text] Guatemala City, June 2 (CNA)—Premier Lien Chan, heading a 21-member entourage, arrived in Guatemala Thursday [2 June] evening from El Salvador for a four-day official visit.

Lien was greeted by Guatemalan Vice President Arturo Herbruger Asturias and other senior Guatemalan officials at the airport.

Herbruger said in his welcoming speech that Lien's visit symbolizes strong ties between the Republic of China [ROC] and Guatemala.

Lien said he appreciates the hospitality the Guatemalan Government has extended to him and his entourage. "I hope cooperation between our two countries can be further strengthened for our mutual benefit," he added.

Lien later attended a dinner given by local overseas Chinese groups in his honor.

Lien will meet with Guatemalan President Ramiro de Leon Carpio Friday to discuss matters of mutual concern. A ministerial-level meeting will also be held, with the participation of senior officials from the two countries.

ROC Economic Affairs Minister P.K. Chiang and Sun Ming-hsien, chairman of the Council of Agriculture, will discuss ways to boost bilateral cooperation in various fields with their Guatemalan counterparts.

Lien and De Leon will give a joint news conference Friday evening to explain future cooperative projects between the two countries.

Guatemala is the second leg of Lien's current Central American tour. He just ended a four-day visit to El Salvador where he attended the inauguration of new Salvadoran president, Armando Calderon Sol.

Lien will leave here for New York Sunday for a two-day private visit. Some sources said Lien may also stop in Mexico on his way to New York, but the rumor could not be confirmed.

The ROC does not maintain diplomatic ties with Mexico or the United States. Lien said his New York trip is purely for private purposes.

Honduras

Armed Forces Inspector General Views Budget Cuts

PA0306040694 Tegucigalpa EL PERIODICO DE HONDURAS in Spanish 30 May 94 p 37

[Report by Henry Becker]

[Text] Tegucigalpa—General Finlander Armijo Ucles, inspector general of the Armed Forces, has warned that announced personnel and budget cuts in the Armed Forces place state security at risk. After noting that the government and the Armed Forces are in charge of keeping public order and preserving state security, he said this duty is being reduced more and more with each budget cut and every time a combat unit is disbanded.

He said those who have suggested such cuts have not taken into account the great harm being done to the country.

"But we obey all orders from the president without question," he added. He also said there are no disputes within the Armed Forces over the crisis that the institution is experiencing. "There are no blocs that either favor or oppose the restrictions."

All of the men have become highly professional because of the training of troops in several exercises conducted jointly with the U.S. Army support. No special training for troops or officers can be completed if U.S. economic aid is reduced, he said.

Gen. Armijo Ucles said the equipment used by the Public Security Force belongs to the Armed Forces. Therefore, these arms will have to be returned to the Army once the Attorney General's Office takes control of the police. He added, "The decision could be changed, however, providing the government and the Higher Council reach a better understanding."

He said he wished the new police force a good start. "We are awaiting the results. We hope the crime rate will not increase, because this would present problems for a new and inexperienced police force."

Gen. Armijo Ucles also expressed his concern for the members of the National Investigations Directorate [DNI], "most of whom will enter the ranks of the unemployed." He warned about the possibility of jobless DNI agents being hired by drug traffickers or becoming ruffians whose activities could disrupt the country's order and democratic system.

He said the Armed Forces General Command will soon meet with the executive to outline a plan to hire the dismissed police officers. Otherwise, the people will have to deal with criminal gangs in which Armed Forces-trained agents could become death squad members or drug traffickers.

Nicaragua

Sandinist Assembly Calls for FSLN Unity

PA0206200594 Managua BARRICADA in Spanish 29 May 94 pp 1,10

[Report by Jorge Katin]

[Text] Yesterday, the Sandinist Assembly made an fervent call to the FSLN [Sandinist National Liberation Front] grass roots to "unite around revolutionary objectives within the framework of decisions taken by the [FSLN National] Congress to set an example of flexibility by rejecting malicious traps, intolerance, and to strengthen camaraderie as well as constructive criticism."

The Sandinist Assembly, recently elected during the party's congress, met yesterday for the first time and proceeded to discuss the results of the elections, to select members of the Ethics and Judicial Commission, to elect a permanent Electoral Commission, to appoint three secretaries to the National Directorate, and to establish five work commissions.

Likewise, the assembly discussed issues such as a public debate on the results of the Sandinist congress and the thorny controversy of the media's support to Sandinism, especially the case of BARRICADA.

The new members of the Judicial and Ethics Commission include Miguel Angel Casco, Orlando Tardencilla, Onofre Guevara, Jose Pasos, Gladis Gomez, Yadira Centeno, Jorge Samper, Bruno Gallardo, Gloria Hernandez, Erwin Izaba.

The Electoral Commission includes Julian Corrales (president), Jeannete Chavez, Zadrach Zeledon, Ruth Herrera, and Jose Luis Villavicencio as principal members, and Edwin Castro as well as Josefina Ramos as alternates.

As has already been reported by BARRICADA, Monica Baltodano, Lumberto Campbell, and Victor Hugo Tinoco were elected secretaries of organization and education, communications, and international relations respectively.

Likewise, the Sandinist Assembly approved the creation of other commissions such as an agriculture commission, a youth commission, a women's commission, an Atlantic coast commission, and an economic-social commission.

Upon concluding the event, FSLN Deputy Secretary General Tomas Borge said that with respect to the media issue, it had been decided to "assess the situation" within the National Directorate, and to present a proposal afterwards before the Sandinist Assembly.

With respect to the debate to take place after the congress, it was confirmed the debate would be "free, open, and within the framework of the organizations members of the FSLN."

The absence of National Directorate member Henry Ruiz was quite obvious. Ruiz has abstained from participating in any of the meetings of the newly elected national directorate.

Calls for Penalties and More Media Control

The issue of the public debate over the congress results, and the role of the media was included as part of the agenda under "other issues." Discussions began when Modesto Mungia, an assembly member and Managua District Three leader, stated that the media could be useful as instruments to continue "examining" the problem of divisions within the FSLN.

On the other hand, Felix Contreras pointed out that not only is the legitimacy of the congress under attack, but that "groups are organized to further split the FSLN." As an example, he pointed to a recent call to all Sandinists professionals to participate in an assembly scheduled to take place next Tuesday at the UCA [Central American University].

William Grisgbi urged the National Directorate to "state its position on the scope of action of journalists, and responsibilities as assemblymen." Grisbi was referring to

the controversy involving BARRICADA Director Carlos Fernando Chamorro and Danilo Aguirre, EL NUEVO DIARIO deputy director.

Nelson Artola, a San Ramon municipal leader asked "Who owns BARRICADA?" and immediately urged the FSLN to appropriate the media.

"We must penalize those comrades who are manipulating the results of the Congress, and we should do it with a steady hand and voice," Elias Chavez suggested.

In the meantime, National Directorate member Luis Carrion pointed out that "Neither the Assembly or the National Directorate should become media directors." In his opinion, overseeing mechanisms such as a directors council similar to the one operating at BARRICADA must be encouraged.

Nevertheless, Carlos Fonseca Teran insisted that "the problem lies in the clear intent to tarnish the congress' results."

In this respect, the harshest criticisms were directed at Sandinist Assembly member Danilo Aguirre, who is also EL NUEVO DIARIO deputy director.

Monica Baltodano, also a National Directorate member, urged all to "grab the bull by its horns," and that all those whom—it would seem—are attempting to "give a free rein to their ideas" should be called in and urged to speak clearly.

The controversy seemed to lose steam when BARRICADA Editor Carlos Fernando Chamorro addressed the assembly and indicated that this newspaper had been one of the few to cover the debates prior to, as well as following the congress. He also contended that the debate had been treated as taboo by the other media associated with Sandinism.

"Let's put the subject of the other media that did not cover the debate on the carpet," Chamorro pointed out.

Nevertheless, former BARRICADA sports director Emmett Lang restarted the controversy when he asked "what was the problem with suggesting Carlos Fernando's departure if he has already occupied the position for the past 14 years." Lang immediately added that "I am aware that because of this suggestion I will be attacked in tomorrow's edition of BARRICADA."

Panama

Lewis Galindo Views U.S. Military Installations

PA0206165594 Panama City EL PANAMA AMERICA in Spanish 30 May 94 p 1

[Text] Gabriel Lewis Galindo, designated foreign minister by president-elect Ernesto Perez Balladares, has said that Panama will study with "receptiveness" a formal U.S. proposal in terms of maintaining certain military installations on the Isthmus.

Lewis Galindo's declarations were made after his meeting with Senator Christopher Dodd, chairman of the Senate Foreign Relations Committee. During his first visit to Washington since he was designated, Lewis Galindo spoke extensively with several Democrat and Republican congressmen.

Recent publications indicate official planners are considering the possibility of maintaining U.S. air and communications installations in Panama. When questioned on this issue, however, the foreign minister highlighted that the current priority is to assure the transfer of the Canal to Panamanian control without setbacks and with the greatest efficiency possible.

Meanwhile, at the meeting held with James Fall III, U.S. Treasury deputy assistant secretary (Developing Nations), Lewis Galindo assured Fall that U.S. dollars "will continue to be the main currency used in Panama."

Today, Monday, the designated foreign minister will meet at the White House with Anthony Lake, assistant to the President for National Security Affairs, and tomorrow he will meet with Secretary of State Warren Christopher. Tomorrow Galindo also will meet with Enrique Iglesias, president of the Inter-American Development Bank.

President Endara Requests Reentry Into Rio Group

PA0306040594 Panama City Circuito RPC Television in Spanish 2300 GMT 1 Jun 94

[From the "RPC Television News" newscast]

[Text] President Guillermo Endara has asked the members of the Rio Group to accept Panama's full reincorporation into the forum, which expelled Panama during the former regime of Manuel Antonio Noriega.

Endara explained that the conditions that led to Panama's expulsion are a thing of the past and that the country now is involved in a democratic process that became stronger with the 8 May general elections—elections in which opposition candidate Ernesto Perez Balladares was elected.

Endara's petition was expressed in a letter he sent to the Rio Group. In the letter, Endara stressed: I feel an era is ending with this last diplomatic effort I am making today. With your support, my country and people will again occupy a place of honor which, because of a lack of democracy, was suddenly snatched away from them, and which now, thank God, is being returned.

Comptroller General Report Details 1994 Budget

PA0306033494 Panama City LA PRENSA in Spanish 31 May 94 p 11A

[Article by Marti Ostrander Oller; figures as published]

[Text] The latest comptroller general report announces the 1994 government budget totals $1,928,635,600, including revenues and expenses.

The report says regular income will total $1,415,832,100, including tax revenues and assessed and indirect taxes.

Approximately $481.5 million will be nontax revenue, while $512.8 million will be pumped into the national economy by capital income.

The latter figure includes external credit resources for $324.3 million; that is, loans by international financial institutions, government credits and donations, the bank cash balance, national wealth, and the sale of assets, among other things.

On the expenses side, operational costs of $1.547 billion is noteworthy and is divided into operating expenses ($785.3 million), the public debt ($493 million), and the transfer of functions expenses [transferencia de funcionamiento] ($269.6 million).

Investment expenses are $380.7 million.

A total of approximately $688 million is destined for the executive branch, including all the ministries and administrative expenses. The Education Ministry, with $214.5 million, the Government and Justice Ministry ($149.7 million), and the Health Ministry ($139.2 million) budgets are noteworthy.

Meanwhile, the judicial branch will spend $46.3 million, while the legislative branch will spend $34.7 million, divided into $16.9 million for the Legislative Assembly and $17.8 million for the Comptroller General's Office.

Article 147 of Law No. 32 states if revenues are expected to be lower than authorized budgeted expenses, a plan to reduce those expenses will be presented at a cabinet meeting in order to avoid a deficit.

The report also states budget expenses up to 31 December were $1.553 million, with a $16.6-million surplus, which was applied to standard and capital expenses.

Meanwhile, there was a saving of $328.2 million in total regular income vs. regular expenses.

1994 Projected Expenses by the executive branch	
Executive branch	688,070,600
Presidency Ministry	15,305,000
Government and Justice Ministry	149,743,200
Foreign Ministry	22,157,900
Finance and Treasury Ministry	29,691,400
Education Ministry	214,154,000
Commerce and Industry Ministry	13,372,000
Public Works Ministry	31,388,000
Agricultural Development Ministry	21,485,000
Price Control Office	1,552,000
Health Ministry	139,185,000
Labor and Social Welfare Ministry	8,658,000
Housing Ministry	11,715,700
Planning and Economic Policy Ministry	11,941,400
Other Administrative Expenses	17,722,000

Comparison Between Constitution, Amendments

PA0206153894 Panama City LA PRENSA in Spanish 26 May 94 p 6

[Comparison of articles of the current Constitution and the proposed amendment of those articles]

[Text] **Article 136. Constitution.**

An autonomous tribunal is hereby established to guarantee the popular election's freedom, purity, and effectiveness. The tribunal's legal status, patrimony, and the right to manage it are hereby recognized. The tribunal shall exclusively interpret and apply the Electoral Law. It shall direct and supervise the registration of vital statistics, such as decease, naturalization, and other juridical acts related to the civil status of people, the issuance of personal identification cards, and the electoral process' various stages. (The rest of the article remains unchanged, except the name: Supreme Electoral Tribunal).

Proposed Amendments

A Supreme Electoral Tribunal [TSE], with its own rank and independent from the states branches, is hereby established to guarantee the popular election's freedom, purity, and effectiveness. The TSE shall have jurisdiction throughout the country. It shall be made up of three magistrates, who must meet the same requirements demanded of a Supreme Court of Justice [CSJ] magistrate. The three TSE magistrates shall be appointed for a 10-year term. One of them shall be proposed by the Legislative Branch, one by the Executive, and one by the CSJ. The candidates shall not be members of the proposing branch. Two alternates shall be similarly proposed for each of the principals. The alternates cannot be chosen from among the TSE officials. The TSE magistrates shall answer to the CSJ for offenses or crimes committed during the exercise of their functions. Articles 202, 205, 208, 209, and 213 apply, with the penalties stipulated by law.

Magistrates' Explanations

1. The name Electoral Tribunal has been substituted for that of Supreme Electoral Tribunal, like in Costa Rica, Guatemala, Ecuador, and El Salvador.
2. The TSE is given the status of a government branch without it becoming one, like in Costa Rica.
3. The TSE's administrative and financial autonomy is established. It is exempted from preliminary control, to make sure that it will not be co-managed from the public finance's viewpoint.

Article 137. Constitution.

The Electoral Tribunal shall have the following functions:

....

3. To establish the Electoral Law bylaws, interpret and apply the law, and hear any controversies originating from its application.
4. To punish offenses and crimes committed against the freedom and purity of the elections, according to the law.
7. To process immigration and naturalization requests.

(Paragraphs 1, 2, 4, 5, and 7 remain unchanged. Paragraphs 3 and 6 are modified. One paragraph is eliminated. Paragraphs 8 and 9 are introduced.)

Proposed Amendments

In addition to those outlined by law, the TSE shall have the following functions, which it will exercise exclusively, except those stipulated in Paragraphs 4 and 6.
1. To register births, marriages, deaths, naturalizations, and any other events and juridical acts related to the civil status of people, and to make the corresponding annotations in the corresponding registers.
2. To issue personal identification cards.
3. To interpret the constitutional and legal directives on elections, to establish Electoral Law bylaws, and to hear any controversies originating from the application of the law.
4. To conduct an electoral census.
5. To organize, to direct, and to supervise the registration of voters, and to settle any controversies, complaints, or allegations related to voter registration.
6. To process naturalization requests, according to the law.
7. To appoint members of electoral corporations, in which the representation of legally created parties shall be guaranteed. The law will regulate this matter.
8. To assume control of the Public Forces from the opening of the electoral process and until the new president of the Republic is proclaimed, with the exclusive purpose of guaranteeing the freedom, purity, and effectiveness of the popular elections. The Executive will continue to control the Public Forces for everything related to national defense and the protection of the lives, honor, and property of the nationals and aliens under its jurisdiction. The fulfillment of these responsibilities shall not serve as an excuse for interfering with the political and party neutrality the Public Forces must maintain during the electoral process.
9. To appoint ad honorem Electoral Delegates according to the law. The TSE's decisions regarding elections only can be appealed before itself and the appeal will be final, irrevocable, and binding once the legal procedures have been complied with. Amparo recourses or inconstitutionality warnings, with the exception of unconstituionality recourse, shall not apply.

Magistrates' Explanations

1. As in Costa Rica, the TSE is given the authority to interpret electoral regulations both from the Constitutional and legal viewpoints.
2. Its authority to handle electoral offenses has been removed.
3. Its authority to handle immigration, which had never been regulated, has been removed. The tribunal retains its authority to handle naturalizations according to the law. (At present, those requesting naturalization are tested on history, geography, and politics).
4. A legal provision is made for the transfer of authority over the Public Forces to the tribunal and the time for the tribunal to assume control of the Public Forces is extended from the current six days before the elections to six months. As the Electoral Tribunal did in a decree, the proposed amendment clarifies that this control of the Public Forces extends up to the time when the new President of the Republic is proclaimed.
5. As in Costa Rica, the Electoral Delegates at the Constitutional level are recognized.
6. Recourses cannot be filed against the Electoral Tribunal's decisions on electoral matters only and that no amparos (as established by law) or unconstitutionality warnings (as established by the Tribunal's decision and confirmed by the CSJ) shall apply. Unconstitutionality recourses can be applied, however.

Constitution in Effect

Art. 138. The Office of the Electoral Prosecutor is an independent investigation agency assisting the Electoral Tribunal.

The Electoral Prosecutor will be appointed by the Execuve Branch subject to the approval of the Legislative Branch...

The Electoral Prosecutor's responsibilities are:

1. To safeguard the political privileges of all citizens.
2. To watch over the official conduct of all public officials relating to electoral priviliges and political obligations.
3. To prosecute electoral crimes and violations.
4. To exercise all other duties the law may indicate.

Reform Proposal

Investigations and trials related to electoral crimes will fall under the competence of ordinary jurisdiction.

Transitory paragraph: The Office of the Electoral Prosecutor will become an Electoral Delegate Attorney's Office assigned to the Office of the Attorney General and specializing in electoral offenses. Those election violations still pending to be processed at the Electoral Tribunal will be forwarded to the appropiate penal courts in accordance with the respective competence, except those cases where appeals are still pending. Cases where the Electoral Tribunal has already ruled will be appealable before the Supreme Court of Justice Penal Court.

Explanations by the Magistrates

In eliminating the Electoral Tribunal's competence with respect to penal electoral issues, penal electoral jurisdiction is eliminated as a separate jurisdiction to incorporate it into ordinary jurisdiction. For this to take place, the Office of the Electoral Prosecutor must be abolished as an

independent institution so that it may be incorporated into the Office of the Attorney General.

This measure not only solves the fact that the Panamanian Electoral Tribunal is the only one if its kind throughout the world that decides on electoral offenses, but it also automatically grants the accused the right to file an appeal before a higher jurisdiction. Currently, individuals accused of electoral offenses are not entitled to this measure since decisions by the Electoral Tribunal are unappealable. Likewise, the destiny of the different cases currently being processed are to be determined on a provisional basis.

Constitution in Effect

Art. 139. Public authorities are obligated to follow and obey guidelines and decisions of officials with electoral jurisdiction. Public authorities are also obligated to comply with, cooperate with, and assist officials with electoral jurisdiction carry out their obligations. Disregard and negligence on the part of public authorities in performing their respective duties will be punishable in accordance with the law.

(The proposed incidental clauses are to be added to this article)

Reform Proposed

The following incidental clauses are to be added to Article 139:

The Supreme Elections Tribunal will formulate its budget proposal and will forward it to the Executive Branch. The Supreme Electoral Tribunal magistrates will be allowed to justify the respective proposed budget project in all its phases. The Supreme electoral Tribunal budget will not be less than seven tenths of one percent of the Central Government's current revenues. During elections and referendum years, and those years prior, the additional budget requested and justified by the Supreme Electoral Tribunal will have precedence within the public sector's budget. Nevertheless, when the quantity resulting from the application of said percentage is greater than the amount required to cover basic needs proposed by the Supreme Electoral Tribunal, the Executive Branch will be allowed to include the surplus as part of other expenditures or investments in the public sector budget proposal.

Explanation by the Magistrates

The amendments assure the Electoral Tribunal will have a minimum of resources for its regular functions, as one must keep in mind that it in is charge of the civil registry and the issuance of cedulas. During an election or referenda period priority is granted to the budget required to hold the elections. It is the same text of the amendments approved in 1992.

Article 141

(It explains in detail how the current electoral circuits are established in line with the political administrative division and the number of inhabitants. It establishes one legislator for those parties that retain their legal status but no candidate to legislator from that party was elected. It establishes that only political parties can nominate candidates for legislators.)

Amendment bill

The Legislative Assembly will comprise 20 national legislators and 41 legislators elected in circuits where individual [uninominal] candidates run through the regulations approved to that effect by the Supreme Elections, taking into consideration the population, territorial proximity, concentration of Indian population, neighborhood ties, roads, and historic and cultural factors. No province nor the San Blas Reservation will have less than one legislator. Every time a national population census is held, the Supreme Elections Tribunal will review and update the creation of electoral circuits to maintain the proportion of the population among them.

The seats of national legislators will be assigned to the parties that have garnered the votes needed to retain their legal status based on the proportion of the votes the parties obtain in the presidential elections, following the order of the candidates in each list. The candidate with the most votes will be elected in circuits where individual candidates are running. Each legislator will have a personal alternate who will be elected when the legislator is elected. The legislator will replace his alternate if case of wrongdoing.

Magistrates' Explanations

1. The composition of the current Legislative Assembly, which is based upon uninominal and plurinominal electoral districts that lack a fixed number of legislators because their number increases every 10 years according to population growth, will be changed to an Assembly that has a fixed number of legislators, thereby incorporating the concept of national legislators and legislators from uninominal districts only. Plurinominal electoral districts are thus eliminated, because these districts have traditionally sparked tension and vote challenges in every elections due to the complexity of the proportional representation system. In addition, uninominal electoral districts endorse the principle of governability that has successfully prevailed in the United Kingdom and France.
2. The known concept of the "Lone Ranger" legislator is also eliminated. This concept, which increases the number of legislators, is being used for the first time in 1994 in the case of the National Renewal Movement (Morena).
3. The election of two alternates is eliminated. Only one personal alternate will be elected in the same manner legislators are elected.

Constitution

Article 144. Legislators shall act on behalf of the Nation, and at the Legislative Assembly, they represent their respective political parties and voters from their Electoral Districts.

Amendment

Once elected, legislators shall represent the Nation and shall observe only the dictates of their consciences.

Magistrates' Explanations

As the concept of impeachment is eliminated, it is necessary to modify this article to reinstate the principle of the 1946 Constitution.

Constitution

Article 145. Political parties shall be able to impeach the legislators and alternates they nominate... (requirements and procedures are stipulated).

Amendment

This article is abolished.

Magistrates' Explanations

The controversial guideline that grants political parties the right to impeach a legislator elected by the population is eliminated. We reinstate the principle of the 1946 Constitution, which stipulates that legislators represent the Nation and are not subjected to any mandate.

Constitution

Article 147. The following is required to be a legislator:

... 4. Not have been previously tried for having committed a crime against public administration and sentenced to lose his freedom. The Electoral Tribunal could not have tried him for having committed a crime against the honesty and integrity of the suffrage.

Amendment

The following is required to be a legislator:

1. Be Panamanian by birth or by naturalization, with 15 years of residency in the country after having obtained the citizenship.
2. Be an acting citizen.
3. Be 21 years old at election time.
4. Not have been tried for committing a crime against the public administration or for committing an electoral crime whereby freedom was lost.

Magistrates' Explanations

The residency requirement for legislators, which has triggered so much controversy, is eliminated. It has been stipulated that with honest and fair elections, a candidate's financial situation is not the requirement that will let him be nominated by an electoral district where he does not live and be elected beyond people's will. As the electoral and penal jurisdiction is eliminated, it conforms with the wording of point 4 of Article 147.

Constitution

Article 159. The following shall be able to propose laws:

... 3. The Supreme Court of Justice, the Attorney General, and the Solicitor General as long as it alludes the issuance of or amendments to national codes.

Amendment

The following shall be able to propose laws:

... 3. The Supreme Court of Justice, the Attorney General, and the Solicitor General as long as it alludes the issuance of or amendments to national codes, as well as the Supreme Electoral Tribunal [Tribunal Superior de Elecciones] as long as it alludes to issues concerning elections, civil registry, and issuance of personal identification cards.

Magistrates' Explanations

The Electoral Tribunal has the initiative on matters that must come under its jurisdiction, but currently do not.

Argentina

Cavallo Defends Patents Law in Congress

PY0306034094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2116 GMT 2 Jun 94

[Text] Buenos Aires, 2 Jun (NA)—Economy Minister Domingo Cavallo spoke before the Senate plenum today. He strongly defended the government bill on pharmaceutical patents, emphasizing that its implementation will not provoke a rise in medicine prices.

Cavallo said the government bill contemplates the possibility of importing medicines from other countries if prices go up "excessively."

Cavallo said the government's eagerness to approve a patents law "is not due to the possibility of economic sanctions by the United States, but to the need to encourage investment and permit our scientific and technological development."

Cavallo participated in the Senate public hearing, before representatives of all interested committees, to explain the government position with respect to the controversial patents law, an initiative that the U.S. Government tenaciously wants approved.

Cavallo spoke for over two and a half hours. During this time he answered innumerable questions from legislators and directors of the different entities interested in the issue of medicines manufacturing and trading.

The finance minister's visit to the Senate was within the framework of a round of hearings organized by the Industry Committee, presided over by Senator Jose Genoud of the Radical Civic Union. The patents bill, however, is also being analyzed by the Science and Technology Committee, the Health Committee, and the Commerce and Penal Affairs Committee.

During the long session Cavallo did not mention the possibility of submitting a new draft bill replacing the one currently under discussion in the Senate. The executive branch sent the bill to Congress in March 1993. Cavallo said that senators will introduce all the necessary changes into the original bill.

The economy minister said the protection of intellectual property rights in general, and particularly the protection of intellectual rights in the field of pharmaceuticals, is "essential for investment in research and development."

He made clear he was talking about "large investments, because efforts to discover new products and find solutions to health problems demand very large amounts of money and a lot of knowledge."

Cavallo said that in order to achieve those objectives "you need to risk capital, and those who risk it want to have certain guarantees that the product resulting from their investment in research and development will not lose value because it is easy to copy."

The minister said he was convinced that "Argentina will be able to receive risk capital only if intellectual properties are well protected."

"The reason why the executive branch presented this project on patents was because it wanted the country to offer the best possible conditions for strong investment in research and development," Cavallo said.

The minister said that a country capable of organizing teams of good scientists and technicians involved in research and development "can also create the conditions for national capital to take advantage of the good climate for the application of human knowledge to invest in research and development in the country."

Cavallo emphasized that the protection of intellectual property rights through a patents regime "is part of a policy that aims at encouraging investments in Argentina, and above all forms of investment that are very important for the future growth of the nation."

The minister explained that this was why the Carlos Menem administration supported the establishment of a minimum level of protection for intellectual property rights in the GATT talks.

The economy minister said that the idea of approving a patents law in exchange for the elimination of agricultural subsidies by developed countries "is a very weak argument, because anyone with a good understanding of the way the world economy and national economies function knows that a country that does not provide protection for intellectual rights will pay for it in the long run, because it will be forced to remain on the sidelines of the flow of investments."

"It is not very convincing to threaten to do something that will end up hurting your country," Cavallo said, in justifying the scarce benefits developing countries obtained through the GATT talks.

During the long negotiations, which lasted almost eight years, the poorest countries argued with little success that they could protect intellectual property rights only if they obtained concessions in the agricultural field.

Cavallo said he was convinced developing countries will be able to remove the industrialized countries' distorting policies "when each one of our countries has obtained the degree of economic power capable of transforming us into relevant negotiators on a world scale."

The minister said: "In order to achieve this objective we must create the best conditions for investment, but particularly for investments that yield the greatest return, such as investments in research and development, well directed and intelligently administered."

Cavallo reiterated that the eagerness of the executive branch to give protection to intellectual rights "is part of a policy that wants to encourage investment and growth in Argentina."

Referring to the possibility that the bill protecting intellectual rights could hurt the population by provoking a rise in medicine prices, Cavallo said: "The argument is deceitful and has a minimum degree of truth."

"When you speak about satisfying the needs of the people, you cannot only think of the act of production in a factory, once you have finished your research and you have something new. Because it is more important to have the capacity and the means to discover something than the ability to take a product to the market."

"The more we encourage investment, the more we will have the competitive ability to develop new products, new medicines, and new solutions to health problems," Cavallo said.

The minister said that the supply of a determined drug or medicine "in the medium and long term, which is what matters, depends essentially on the amount of investment by the different laboratories in finding solutions to unsolved problems."

"Nothing can guarantee you that those who copy a medicine and introduce it into the market will be able to sell it cheaper," Cavallo said.

He said there are cases of copied medicines that are more expensive than the original products. Cavallo, however, did not give details about brands or laboratories.

"It is very important for medicines to have reasonable prices. There is no reason why we should not encourage competition through prices, always giving, of course, the best possible information about the product," Cavallo said.

"I do not believe national or foreign laboratories when they say that they can supply the market at lower prices. I think Argentina's and the world's experience is that the pharmaceutical industry tends to charge the highest possible prices," the minister said.

He said the solution to the problem of high prices "must be faced, on one hand, by encouraging investment, so that each laboratory makes the maximum research effort and generates more competition; and second, by the implementation of general rules used by countries to make sure that prices are not excessive."

Cavallo defended the application of the law of competition in the case of medicines, recalling that the official project on pharmaceutical patents includes a clause permitting the importation of products if there are excessive price increases.

This clause permits the importation of medicines, but from countries with patent laws that recognize intellectual property rights.

Cavallo said the executive branch bill recognizes research efforts, and protects the population by guaranteeing reasonable prices.

"It is not true that the patents law will provoke price increases," the minister said.

Menem Blames Labor Conflict on 'Activists'

PY0306030694 Buenos Aires PAGINA/12 in Spanish 1 Jun 94 p 2

[Text] President Carlos Menem yesterday said that the social situation in Tierra del Fuego had been caused by "activists who go around the country creating problems for those who want to work." Menem did not identify the official report on which he based his statement. He added that "there were hooded people with blunt objects in their hands" at a factory that had been occupied by strikers. Despite the fact that he was aware of the description that Menem gave of the labor conflict, Tierra del Fuego Governor Jose Estabillo said at a meeting with Interior Minister Carlos Ruckauf that the social situation was under control, and without any possibility for an outburst.

After meeting with Estabillo, Ruckauf went to a meeting also attended by Presidential Secretary Eduardo Bauza, Economy Minister Domingo Cavallo, and Labor Minister Armando Caro Figueroa. Caro Figueroa reported on the negotiations, expressing optimism for a rapid solution to the conflict. Cavallo, Ruckauf, and Bauza also decided that Caro Figueroa would coordinate all negotiations, although at yesterday's meeting it was made clear that the labor minister will have to report on each step of the negotiations.

Hours before the meeting held at Bauza's office, Menem made statements to the radio station of his friend Gerardo Sofovich. The president made assurances that a handful of activists are going around the country showing up at every social conflict, and that UOM [Metalworkers Union] leader Lorenzo Miguel intends to facilitate a settlement to the labor crisis.

"It is obvious that it is not only workers who are operating now, but groups of agitators who go around the country, creating problems for those who want to work. I listened to a report by a judge, who in order to enter a factory had to adopt a series of measures, and he finally met with hooded strikers, who were hooded not because of cold weather but because they wanted to conceal their faces. Some of them had blunt objects," Menem told Sofovich.

[Sofovich] "Did you have a chance to meet with Governor Estabillo?"

[Menem] "Yes, he told me that the situation in Tierra del Fuego is totally under control. Yet it seems that strikers continue in their position without obeying the decision by the Labor Ministry."

Menem on Governors' Reelection, Unrest

PY0206223094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1459 GMT 2 Jun 94

[Text] Buenos Aires, 2 Jun (NA)—President Carlos Menem said this morning that the fact that some governors can be reelected while others, such as Buenos Aires Governor Eduardo Duhalde, cannot is "a totally repugnant inequality."

Menem said it is "a tremendous injustice" to prevent the reelection of some governors when most provinces already have a clause allowing the governor's reelection, and the constitutional reform will grant the president that opportunity as well.

Menem said that Buenos Aires Governor Eduardo Duhalde "will not create any problems" at the Constituent Assembly, because "what he wants is the reform of the national Constitution, and then through the proper channels, the reform of the provincial Constitution."

Menem said the convention "is not deadlocked," as delegates "are looking for consensus." Menem did not rule out the possibility of proposing a clause permitting the reelection of governors at the Constituent Assembly.

Menem said, however, that it was not clear how convention delegates would include that clause in the agenda. Menem said the reform of provincial constitutions must be carried out in each district.

The decision to include the issue "will be determined by convention delegates. I think there are various alternatives. I am not siding with any one of them. I think provincial constitutions must be reformed according to proceedings established in each one of the provincial constitutions," the president said.

Menem made these remarks at government house after inspecting the work under way to remodel the building. Menem said he will meet with U.S. President Bill Clinton in Boston between 22 and 24 June within the framework of his unofficial visit to that country and following his tour of Canada.

After the announcement, NOTICIAS ARGENTINAS learned that the head of state will take advantage of the opportunity to watch the soccer match between the Argentine and Nigerian national teams on 25 June.

The president talked extensively on the radio program La 9.90. He reiterated that "professional agitators who have already been acting in other places have arrived" in Tierra del Fuego. He added that "hooded individuals are frustrating people's right to work."

He said those groups are responsible for "impairing and frustrating the freedom to work," stressing that these methods "will not lead us anywhere," and urging striking workers "to return to work."

The president denied that the government is being pressured by entrepreneurs, and recommended all parties involved in the conflict to sit down and talk "to reach an agreement and resolve" the situation.

On another subject, the president said that he supports the initiative of some legislators to invest $1.5 billion in the construction of houses in northern provinces within 90 days.

"A total of $1.5 billion will be invested in housing construction within 90 days," the president said.

Menem also said that the government will urge the provinces to speed up the reform of their administrations to reduce the deficit.

"Provincial governments have not fulfilled the agreements with the national government. The reform of provincial administrations has not yet been implemented," the president said.

[Buenos Aires NOTICIAS ARGENTINAS in Spanish at 1224 GMT on 2 April adds: "President Carlos Menem said that the Justicialist Party 'will fully respect' the Olivos Pact at the Constituent Assembly, and therefore the clause establishing the presidential election 'is assured.'

["Menem confirmed that he will meet with his U.S. counterpart Bill Clinton during a stopover in Boston upon his return from Canada in the second half of the month."

[NOTICIAS ARGENTINAS also adds, at 1319 GMT on 2 April: "President Carlos Menem said today that there is an attempt to create 'a class struggle' in Tierra del Fuego, adding that the situation 'is typical of Marxists.'

["During the La 9.90 program Menem criticized Marcelo Sosa, UOM [Metalworkers Union] Ushuaia branch secretary general, because through his calls he 'is trying to return to the past and provoke a situation we have long overcome.'"]

Government Decried in Ushuaia Crisis Management

PY0206154794 Buenos Aires LA PRENSA in Spanish 1 Jun 94 p 2

[Text] Politicians and trade union leaders on 31 May criticized the government's position in the Tierra del Fuego Province conflict. About 300 people, called by leftist parties, marched on 31 May in repudiation of police repression. UCR [Radical Civic Union] leader Juan Manuel Casella asked for no intervention in the province "like it was done in Santiago del Estero and Jujuy Provinces, sending border policemen to carry out a repressive mission to please [Economy] Minister Cavallo."

Casella supported Rio Grande Mayor Jorge Colazo "in his position of solidarity with the workers." Casella said the government demonstrated "its idea of quenching dissent and expressions of rejection of its economic policies. [no closing quotation marks as published] Grand Front Deputy Graciela Fernandez Meijide also criticized President Carlos Menem. She noted that it is "not possible" to attribute all the conflicts in the country's interior "to alleged activists." Fernandez Meijide asked the government to have "a bit of common sense" to admit that the conflicts in Santiago del Estero Province, Jujuy Province, and southern Argentina "have been prompted by something more significant than the presence of agitators."

UCR Deputy Enrique Mathov, who has been visiting Ushuaia since 28 May, asked the federal government "to implement all the mechanisms available to it to prevent the conflict from escalating."

CGT Backs Striking Workers, Warns of Conflicts

PY0306035694 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2302 GMT 2 Jun 94

[Text] Buenos Aires, 2 Jun (NA)—The national secretariat of the General Confederation of Labor [CGT] today expressed in a communique its "unconditional solidarity with the Tierra del Fuego workers who are striking in defense of their labor rights and their salaries."

Referring to the strike being staged by the Tierra del Fuego metalworkers, the CGT stated that it supports the workers' calls "for maintaining the source of jobs, and warned that any delay in adopting measures to protect the regional economies, create jobs, and strengthen national industry will result in further social conflicts that will become increasingly more difficult to solve."

The CGT also called for "the immediate adoption of measures to ensure that all provincial and municipal workers receive their overdue salaries."

The CGT believes that "the alarming unemployment level—which has surpassed historical records—lays bare the reality of an ever-increasing impoverishment of large sectors of Argentine society, which results in social marginalization problems, forces students to quit school, causes infant malnutrition, and so forth."

The communique concluded by pointing out that "unemployment is caused by lack of incentives for production and the unfair competition faced by products manufactured in Argentina."

President Hints at Future Menem-Duhalde Ticket

PY0206191294 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1123 GMT 2 Jun 94

[Text] Buenos Aires, 2 Jun (NA)—"Boys, the formula returns." With an expansive smile and this remark, which may be an indication, President Carlos Menem on 1 June received the photographers and cameramen that recorded the meeting he had with Buenos Aires Province Governor Eduardo Duhalde at Government House.

Flanked by [Presidency] Secretary General Eduardo Bauza and Buenos Aires Province Deputy Governor Rafael "Balito" Roma, Menem and Duhalde waited standing up in the presidential office for the cameras and television crews to enter.

As though he wanted to demonstrate that his spats with Duhalde are pure fantasy, Menem was openly at ease and was even heard to talk with the governor about Argentina's win over Israel [in a 31 May soccer match].

With a conspirator's smile, Menem then faced photographers and cameramen, to whom he said: "Boys, the formula once again," referring to the possibility of repeating the two-man [ticket] that led the Justicialist Party to victory on 14 May 1989.

Duhalde could do no less than smile at the quip made by Menem, who, behind the scenes, once again began to pull the governor's leg regarding the size of his head: "He always overshadows me."

Constituent Assembly Member De Nevares Resigns

PY0206185894 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1542 GMT 1 Jun 94

[Excerpt] Santa Fe, 1 Jun (NA)—The National Constituent Assembly resumed sessions today. It continued discussing the rules and regulations that will govern the Constituent Assembly sessions. Neuquen Grand Front Jaime De Nevares has resigned as a constituent assembly member.

The Neuquen bishop emeritus supported his resignation, claiming that the Constituent Assembly "is completely null and void," adding that the Constituent Assembly is "a farce."

With De Nevares' departure, the Grand Front loses a seat because vacant seats are not replaced after members have taken the oath. [passage omitted]

Chubut Governor Concerned Over Production Rate

PY0206201194 Buenos Aires NOTICIAS ARGENTINAS in Spanish 1941 GMT 1 Jun 94

[Text] Buenos Aires, 1 Jun (NA)—Chubut Governor Carlos Maestro said today that people in his province are concerned "over the lack of incentives for the development of productive activities, specially for small and medium-sized industries."

Maestro emphasized: "The lack of encouragement for regional economies has caused many companies to collapse."

He went to Government House to meet Presidential Secretary General Eduardo Bauza and Interior Minister Carlos Ruckauf. He said: "Chubut is trying to implement key mechanisms to revitalize production."

Maestro noted: "This involves fiscal policies like the removal of taxes. We have removed energy taxes and rural real estate taxes and are now implementing a dynamic loan policy."

The Chubut governor emphasized that his province "currently has a $100-million loan portfolio for productive sectors, with very low interest rates, 10-year repayment periods, and up to three-year grace periods to begin repaying loans."

The Radical Civic Union governor concluded: "By implementing all these measures, we are trying to alleviate a very complex situation in the field of production."

Tucuman Province Reports Monthly Deficit

PY0206190094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 2107 GMT 1 Jun 94

[Excerpt] Buenos Aires, 1 Jun (NA)—Tucuman Governor Ramon "Palito" Ortega admitted today that his province

has a monthly deficit of 6.5 million pesos. He blames this situation on the signing of the Fiscal Pact with the federal government and on the transfer of federal schools to the provincial government.

Ortega indicated that his province has a "deficit" because of "the non-collection of revenues following the signing of the Fiscal Pact, which caused a social security deficit of 3.5 million pesos."

The governor also blamed the situation on the transfer of federal schools to the provincial government and on salary increases for teachers. He emphasized that the latter measures increased the monthly deficit to 6.5 million pesos. [passage omitted]

Roundup of Economic Reports

PY0206235294

[Editorial Report] The following is a compilation of reports on economic activities in Argentina monitored through 2 June.

Media Secretary Raul Burzaco reported that Economy Minister Domingo Cavallo today informed the cabinet that the total provincial deficit stands at $1.3 billion, of which $500 million involves the northwestern provinces. (Buenos Aires Radio Nacional Network in Spanish 1600 GMT 27 May 94)

It was reported that the unemployment rate hit 12 percent at the end of April 1994, or an increase of 2.7 percent in the past six months. In October 1993 the unemployment rate stood at 9.3 percent. Industrial circles blamed the increase on foreign competition, increasing internal costs, and the incorporation of new machinery and technologies that replace labor. (Buenos Aires LA PRENSA in Spanish 1 Jun 94 Economic Section p 5)

Israel's Peres Meets Menem, Holds News Conference

PY0206140094 Buenos Aires NOTICIAS ARGENTINAS in Spanish 0041 GMT 2 Jun 94

[Text] Buenos Aires, 1 Jun (NA)—Israeli Foreign Minister Shim'on Peres said tonight that the "hand of a foreign country" was involved in the attack against his country's embassy in Buenos Aires on 17 March 1992. Peres made clear, however, that "the details will be known only when the investigation has been completed."

Peres condemned the presence of Nazis in Argentina, saying "assassins must be punished wherever they might be because the law does not give anyone a license to kill another human being." Peres said he is "against all assassins in history."

The Israeli foreign minister held a news conference at Government House after his one-hour meeting with President Carlos Menem. Peres briefed Menem on the status of the Middle East peace process since the historic signing of an agreement with the Palestinian people.

Peres said he started a round of briefings with U.S. President Bill Clinton "and wanted to end it with President Menem."

His meeting with the president was possible because the plane carrying the foreign minister from Santiago to Madrid made a technical stopover at Ezeiza Airport, which gave Peres a chance to request an audience with President Menem.

Peres said the peace process with Yasir 'Arafat's Palestinians "was achieved and is irreversible." He also said that his intention was "to move forward and not backward."

Peres recognized that the signing of the agreement's first chapter with the Palestinians "was not an easy matter. We had problems, but I think it is a great achievement."

Peres said Israel "is negotiating with Syrians, Jordanians, Lebanese, and also with Palestinians on the issue of autonomy" because we want "to create a new way (of life) in the Middle East where security for the four nations will be guaranteed, permitting the development of an economic system that will allow these nations to improve their future prospects within the boundaries of respect for human rights and freedom."

Correction to Defense Ministry To Continue Privatizing

PY0106184794

The following correction pertains to the item headlined "Defense Ministry Continues To Privatize Assets," published in the 31 May Latin America DAILY REPORT, page 46:

Column one, paragraph two, only sentence, reads ... of the company Area Material Cordoba, linked ... (correcting company name)

Paragraph five, only sentence, make read ... the possibility of calling for bids for the chemistry and ... (rewording)

Bolivia

'Firm Stance' on Sea Outlet To Be Maintained at OAS

PY0206215394 La Paz Television Nacional Network in Spanish 1700 GMT 2 Jun 94

[Text] Foreign Minister Antonio Aranibar will now address two issues: the OAS meeting to be held in Brazil, and the preliminary meeting of the UN International Decade of World Indigenous Communities to be held in Cochabamba.

[Begin recording] [Unidentified reporter] The OAS ordinary session will be held in Brazil this month. The foreign minister has stated that, as usual, Bolivia will uphold a firm stance regarding its landlocked situation, a more than century-old problem with Chile, which that country has systematically refused to discuss within the OAS framework.

[Aranibar] The current government, in practice and in theory, is tackling the maritime issue from the viewpoint disclosed both by the president of the Republic and myself, and which has to do with Bolivian willingness to strengthen relations with Chile as long as there is a desire to discuss all the existing problems, even the maritime problem. We are going to act at a bilateral, trilateral, and multilateral level with that objective in mind. This is one of the purposes of our presence at the upcoming OAS assembly in Belem, Para State.

Changing the subject, I would like to tell you that yesterday, together with the vice president of the Republic, I had the pleasure of closing the preliminary meeting of Latin American and Caribbean people, or better said their governments, to discuss the UN's decade for indigenous communities. This was a very important and far-reaching meeting, and it approved a package of recommendations resulting from the consensus between the governments represented on the occasion and the indigenous people and communities that participated. [end recording]

Roundup of Economic Reports

PY0306001494

[Editorial Report] The following is a compilation of reports on economic activities in Bolivia monitored through 2 June.

Central Bank President Fernando Candia has reported that the fiscal deficit dropped by 206 million bolivianos in real terms during the first quarter of the year. He noted that public sector expenses dropped by 86 million bolivianos and that revenues rose by 120 million Bolivianos during this period. He said exports rose by 34 percent while imports rose by just 3.8 percent. The balance of payment deficit dropped 80 million bolivianos compared with the same period in 1993. (Santa Cruz EL MUNDO in Spanish 21 May 94 National Section p 2)

The trade balance foreign reserve account amounted to $504 million in the first four months of the year, registering a $4 million surplus. Exports totaled $130.2 million and money deposited in banks over exports amounted to $209.7 million. (Santa Cruz EL MUNDO in Spanish 23 May 94 National Section p 3)

The Muller Inc. consulting firm has reported that, in spite of difficulties in the financial sector, the banking system is showing a significant increase which guarantees financial stability. The group of largest banks have resources of over $400 million, middle-sized banks have between $200 million and $400 million, and small banks have less than $200 million. (Santa Cruz EL MUNDO in Spanish 26 May 94 National Section p 1)

Edmundo Salvatierra, the Bolivian Government Oil Deposits [YPFB] industrial manager, has disclosed that the YPFB plans to invest some $23 million this year to explore, produce, and store crude oil and natural gas in the tropical region of Cochabamba department. Salvatierra said the Finance and Economy Development Ministry has approved YPFB investments worth $103 million throughout the country. The projects involve exploration in Carrasco and Katari deposits and the Ivirza XI well, production in Carrasco X-5 and Carrasco X-6 wells, and the storing of crude oil extracted from Surubi, Carrasco, Katari, and Bulo Bulo oilfields that will be sent to Cochabamba and Santa Cruz. (La Paz PRESENCIA in Spanish 27 May 94 Second Section p 1)

Brazil

State Effects of PSDB-PFL Alliance Examined

PY0306014594 Sao Paulo GAZETA MERCANTIL in Portuguese 31 May 94 p 7

[Article by Marcio Aith]

[Text] The PFL [Liberal Front Party] has not helped the PSDB [Brazilan Social Democracy Party]—at least not in the states where the coalition between the two parties was made formal in the electoral colleges in which presidential candidate Fernando Henrique Cardoso and the PSDB were already strong.

According to polls, gubernatorial candidates Mario Covas and Marcelo Alencar are the favorites in Sao Paulo and Rio de Janeiro, respectively. Both, who belong to the PSDB, have received weak PFL support.

Although the PSDB coalition with the PFL has increased the former's electoral chances in Pernambuco, Miguel Arraes—the PSB [Brazilian Socialist Party] gubernatorial candidate—is the main favorite. Arraes supports Luiz Inacio Lula da Silva's presidential candidacy. In Parana, the PFL-PSDB coalition's strongest candidate is Jaime Lerner, of the PDT [Democratic Labor Party].

In Bahia, Santa Catarina, Ceara, Minas Gerais, and Para, the coalition was not made concrete because of lack of interest on the part of the two parties' regional leaders. In these states the PFL is strong, and will be an important PSDB rival.

Presidential candidate Cardoso told reporter Ana Carolina Silveira in Campinas (Sao Paulo) yesterday: "The parties are establishing coalition in different ways. We thought that Brazil was uniform, but it is not. There can be no vertical coalition, and the parties are adopting different coalitions in the different states."

The latest coalitions—the PT has decided to support gubernatorial candidate Jutahy Magalhaes in Bahia, and the PMDB [Brazilian Democratic Movement Party] gave up the idea of presenting a candidate in Parana—were decided upon over the last weekend and on 30 May. They are as follow:

State Alliances in the Main Electoral Colleges

Coalition	Candidate for Governor	Candidate for Senator
Ceara State:		
PSDB/PDT	Tasso Jereissati, PSDB	Lucio Alcantara, PDT; Sergio Machado, PSDB
PMDB/PFL/PPR [Progressive Renewal Party]/PSDB	Juraci Magalhaes, PMDB	Cid Carvalho, PMDB; Mauro Benevides, PMDB
PT/PCdoB [Communist Party of Brazil]/PSB	Joaquim Castro, PT	Durval Ferraz, PT [Workers Party]; Regis Juca, PSB
Pernambuco State:		
PSDB/PFL/PP [Popular Party]	Gustavo Krause, PFL	Carlos Wilson, PSDB; Maurilio Ferreira Lima, PSDB
PMDB	Cid Sampaio, PMDB	Luciano Bivar, PL [Liberal Party]; Joao Coelho, PMDB
PSB/PT/PPS [People's Socialist Party]/PCdoB/PCB/PV [Green Party]/PDT	Miguel Arraes, PSB	Roberto Freire, PPS; Armando Monteiro, PDT
Bahia State:		
PMN [National Mobilization Party]/PDT	Joao Durval, PMN	Germano Tabacof, PDT; Joviano Neto, PDT
PSDB/PT	Jutahy Magalhaes, PSDB	Waldir Pires, PSDB (Undefined)
PMDB	Nilo Coelho, PMDB	Marcelo Duarte, PMDB
PFL	Paulo Souto, PFL	Antonio Carlos; Magalhaes, PFL; Waldeck Ornellas, PFL
Minas Gerais State:		
PMDB	Jose Alencar Gomes da Silva, PMDB	no data
PP/PFL/PPR/PSC [Social Christian Party]/PSD	Helio Costa, PP	Francelino Pereira, PFL; Sergio Naya, PFL
PTB/PSDB/PL	Eduardo Azeredo, PSDB	Israel Pinheiro, PTB; Aloisio Pimenta, PL
PT/PSB/PCdoB/PPS/PSTU [Unified Social Workers Party]	Antonio Carlos Ferreira, PT; Virgilio Guimaraes, PT	
Sao Paulo State:		
PSDB/PFL	Mario Covas, PSDB	Jose Serra, PSDB; Undefined
PT/PCdoB/PPS/PST	Jose Dirveu, PT	Luiza Erundina, PT; Joao Herman, PPS
PDT/PV/PRP/PJP [expansion unknown]	Francisco Rossi, PDT	Carlos Alberto Cabocio, PDT; Elias Jorge, PRP
PMDB/PL/PSD/PTB	Barros Munhoz, PMDB	Jose Campos Machado, PMDB; Romeu Tuma, PL
Rio de Janeiro State:		
PT/PSB/PPS/PCdoB/PDB [Brazilian Democratic Party]/PV/PSDB/PFL/PP	Jorge Bittar, PT	Benedita da Silva, PT
PSDB/PFL/PP	Marcelo Alencar, PSDB	Artur da Tavola, PSDB; Nelso Carneiro, PP
PMDB	Milton Goncalves, PMDB	Paulo Rattes, PMDB; Gelson Sampaio, PMDB
PDT/PTB/PMN	Antonio Garotinho, PDT	no data
Santa Catarina State:		
Popular Front/PT/PSDB/PDT	Nelson Wedeckin, PT	Luci Choinacki, PT; Undefined, PSDB
PFL	Jorge Bornhauser, PFL	Vilson Kelinubing, PFL; Undefined, PFL
PMDB	Paulo Afonso Vieira, PMDB	Casildo Maldaner, PMDB; Jose Augusto Kulse, PMDB
PPR	Angela Amin, PPR	Undefined
Parana State		
PP/PMDB/PPR/PSC	Alvaro Dias, PP	Roberto Requiao, PMDB; Osmar Dias, PP
PDT/PSDB/PFL/PTB	Jaime Lerner, PDT	Helio Duque, PSDB; Carvalinho, PTB
PT/PCdoB/PSB/PSTU	Jorge Samek, PT	Pedro Tonelli, PT

Coalition	Candidate for Governor	Candidate for Senator
Rio Grande do Sul State:		
PMDB/PSDB/PL	Antonio Britto, PMDB	Jose Fogaca, PMDB; Cezar Schimer, PMDB
PPR/PFL	Celso Bernardi, PPR	Guilherme Vilela, PPR; Carlos Azambuja, PPR
PDT/PP	Sereno Chaise	Aldo Pinto, PDT; Eloi Magalhaes, PDT; Raul Pont, PT
PT/PPS/PCdoB/PV/PSB/PSTU	Olicio Dutra	Fulvio Petrado, PSB

PMDB To Continue Supporting Government

PY0206143194 Sao Paulo AGENCIA ESTADO in Portuguese 2359 GMT 1 Jun 94

[Report by Marco Antonio Moreira]

[Text] Brasilia, 1 Jun (AE)—The PMDB [Brazilian Democratic Movement Party] deputy for Santa Catarina, Luiz Henrique—the president of the PMDB, today told President Itamar Franco that despite criticism from PMDB presidential candidate Orestes Quercia, the party will continue supporting the government. "We have to separate the electoral side from the institutional side," he said, "Quercia knows about our decision and he understands that the PMDB, with its blocs in the Chamber of Deputies and the Senate, is essential for guaranteeing the country's stability."

In return, Franco assured Luiz Henrique that the government will not put the government apparatus at the service of any candidate and the president will not demand a unified opinion on the subject from his ministers. "The president did not prohibit any government member from joining an electoral campaign during off-duty hours," he said, "He never said it, at least not that I know."

Henrique explained that a government official—he did not report his name—informed Franco that he would hold an executive position in a campaign. "I do not know who the official is; I only know that the president advised him to resign," Henrique said, "There is nothing wrong with ministers, most of whom are politicians, publicly expressing their preferences."

Lula's Running Mate Clarifies Statements

PY0206212894 Sao Paulo AGENCIA ESTADO in Portuguese 1633 GMT 2 Jun 94

[Text] Brasilia, 2 Jun (AE)—The vice presidential candidate for the Popular Brazil Front, Senator Jose Paulo Bisol (PSB-RS) [Brazilian Socialist Party, Rio Grande do Sul] today reasserted that violence to protect oneself from violence is currently guaranteed in the Penal and Civil Codes. Overwhelmed with the misery he found on the outskirts of Brasilia, Bisol said yesterday during a meeting with the people of Santa Maria that violence is justified when it is used to resist violence for which the government is directly responsible.

As a retired appellate judge, Bisol recalled that he has spent years judging cases of legitimate and illegitimate violence. "The people have the right to take the law into their own hands when the government cannot guarantee justice," he said. According to Bisol, this norm is included in any modern study of the general theory of law. He said that with the increase of violence and insecurity in the cities, the rich are protecting themselves, equip their houses with alarms, and even buy weapons with which to defend themselves. "The poor do not have police protection or weapons with which to defend themselves," he said.

According to Bisol, his statements in defense of the revolution, which were widely covered by the newspapers, were originated following a meeting he had with two women in the satellite city of Santa Maria. They complained about the lack of security, and told him their daughters had been raped as a consequence of the lack of police protection in one of the most violent areas of the Federal District. The senator's statements were interpreted on the following day as a speech in defense of violence. "Anyone can defend his possessions with violence," Bisol clarified today. He said that as a candidate for vice president he is worried that his statements during the election campaign are being taken "out of context."

He said that some days ago he referred to the presidential candidate for the PSDB [Brazilian Social Democracy Party], Fernando Henrique Cardoso, as a sociologist, noting that sometimes people show wisdom in one field and ignorance in another, as for example in the juridical field. Bisol said: "On the following day a newspaper published that I had called Cardoso ignorant." This is why the senator announced that he intends in the next few days to speak with the attorney general, and suggest to him a meeting among politicians and journalists to carry out a campaign focused on "more substantial issues." Bisol said that if the current trend continues, the candidates will have to spend most of their time justifying their statements.

Foreign Ministry Redesigns Objectives

PY0206213994 Sao Paulo GAZETA MERCANTIL in Portuguese 31 May 94 p 5

[Article by Helena Tachinardi]

[Text] Brazil has presided and will preside over many diplomatic meetings this year. Among them are the OAS general assembly in Belem in June, the Mercosur [Common Market of the South] member countries conference to define its institutions during the second half of the year, the Rio Group presidential summit in October, and the meeting of South Atlantic countries. The events that occurred earlier this year include Mercosur and Rio Group

meetings with EU foreign ministers; the visit of Douglas Hurd, British secretary of state for foreign and commonwealth affairs, and other British secretaries; and the visit of U.S. Vice President Al Gore and other U.S. officials. All this reveals the increasing involvement of Brazil in the world economy and the current global and regional characteristics of trade.

Last week Brazilian diplomacy achieved a very important objective: Its proposal to create a South American free trade zone (SAFTA) was accepted in principle by Brazil's Mercosur partners (Argentina, Uruguay, and Paraguay).

Events like this, and the recent opening of a general consulate in Nagoya, Japan, to assist the "dekaseguis"—some 200,000 Brazilian citizens of Japanese descent who emigrated to Japan seeking jobs—shows that Brazilian diplomacy is seeking to involve Brazil in the international economy and to change its profile from a country receiving immigrants to a country exporting workers.

Brazilian foreign policy has been becoming more pragmatic and integrating more with the private universe of the economy. The Foreign Ministry recently organized two entrepreneurial missions—one to Asia and South Africa and one to Mozambique. Brazilian ambassadors before the GATT and the Latin American Integration Association (ALADI) increased their involvement with entrepreneurs, informing them of the evolution of global and regional trade negotiations. Foreign Minister Celso Amorim has kept legislators fully briefed on Brazilian commitments with its partners.

- Nuclear Policy: The Foreign Ministry persuaded Congress to approve all its agreements on nuclear policy during this semester. The only item still pending is a draft bill on controls on exports of sensitive materials and technologies, an essential step prior to Brazil joining the missile technology control regime (MTCR).

Contrary to what was done by Mexico—which withdrew this year from the Group of 77 (formed by 126 developing countries) after accepting a preferential option in North America through its participation in NAFTA with the United States and Canada—Brazil is not considering withdrawing from any association.

- International Order: Ronaldo Sardenberg, Brazilian ambassador to the United Nations recalls: "Participants have increased in the area of international order. We have the Group of 77, the Latin American and Caribbean group (33 countries, all of which participate in UN organizations), Mercosur, the South Atlantic Peace and Cooperation Zone, the Group of 15 (most important developing countries), the Portuguese-speaking community of countries, just to mention some." He added: "From the diplomatic point of view, it is necessary to participate in all of these groups because they provide the bases for positions and give us better negotiating conditions."

The ambassador observed that the Group of 77 "is a factor of international negotiation for Brazil. The reform of the Global Environmental Facility (GEF)—a global environment fund—is being negotiated between the Group of 77 and developing countries. There is also an electoral aspect to all this: Brazil was elected to participate in different organs." He added: "Brazil does not have a Greta Garbo complex. We do not want to be alone. Our international style is that of a moderate country trying to find solutions to different problems. We have been on the UN Security Council more often than any other country (as a nonpermanent member).

- UN Security Council: Foreign Minister Celso Amorim, who recently met with his French, British, and German counterparts, usually tells his guests that "Brazilian credentials are either perceived immediately or never." The country is campaigning unostentatiously for a permanent seat on the UN Security Council, a decision that could be made next year during the organization's 50th anniversary. Amorim notes: "We share borders with 10 countries. We have a large population, a large territory, and a presence in the international arena that is unsurpassed by any developing country. We help international organizations reach agreements. We have not been to war with any of our neighbors in the past 120 years. We have a history of peace that is matched by very few countries." He added: "If Brazil becomes a member of the UN Security Council it will be on its own merit, not to represent Latin America."
- Drug Trafficking: Brazil will participate in UN international peace-keeping forces as it did in Suez (Gaza Strip) and in the Congo. Sardenberg believes Brazil will send a battalion, an organized force, to countries like Mozambique. In the military field, the idea that the Armed Forces should not participate in drug enforcement actions seems to have been consolidated.
- Africa: Brazilian diplomats hail their position regarding South Africa. Two years ago Itamaraty upgraded the Brazilian presence in South Africa by sending an ambassador. Brazil thus anticipated the end of the "apartheid" and currently has good business perspectives with Nelson Mandela's government. Amorim recently asked Finance Minister Rubens Ricupero for $20 million to finance Brazilian company projects in Mozambique, the economic situation of which Itamaraty expects to improve with the democratization of South Africa.
- Eastern Europe: Brazil has been less aggressive in this region. The Brazilian foreign minister said: "They are more active than us. We must react to this," adding, "I would like to send a business mission to Central Europe. Trade relations with those countries must be reestablished." Amorim said he will send the Itamaraty secretary general to Moscow at the end of the year because the situation in Russia "is stabilizing and this will open up trade opportunities." The Foreign Ministry is planning to open an embassy in Kiev (Ukraine) still during Itamar's administration. Franco has already authorized the new embassy, the only outstanding matter is the decree to create it.

- Mercosur: Brazil is actively helping to intensify trade relations between Mercosur and the EU. Celso Amorim has said relations with France are intensifying. "I was the first Latin American personality to address the French Senate," said the minister who was also the first Brazilian Foreign Minister to visit the reunified Germany.

'Confidential' Report Details Occupation Strategy

PY0306010294 Sao Paulo O ESTADO DE SAO PAULO in Portuguese 2 Jun 94 p A17

[Article by Tania Monteiro]

[Text] Brasilia—The Strategic Affairs Secretariat (SAE) has produced reports for President Itamar Franco informing that the Landless People's Movement (MST) is very well coordinated, and that it even has training centers for the political and ideological formation of its leaders. According to the reports made available to O ESTADO, one of those centers is located at the Ranch of Workers in the town of Ipojuca, in rural Pernambuco, where landless people might be receiving guerrilla training for the purpose of guaranteeing the possession of occupied areas.

The reports are divided into one main section and its annexes, all of them bearing the "confidential" seal. The reports say that representatives from Germany, Chile, Nicaragua, Cuba, and the former USSR are cooperating in the training of landless people. They add that the MST is linked with Latin American and Caribbean peasant organizations, and that it also has links in Chile, Uruguay, El Salvador, and Nicaragua.

One 15-page SAE report says that MST leaders have transformed the action into a movement of masses supporting political and ideological interests that are against the government and the system of government. The document emphasizes the participation of the Workers Party (PT) and the Sole Workers Center (CUT), noting that the two organizations consider landless people their main force in promoting conflict in the field.

The document says that the MST is like a military organization, having pamphlets with instructions for land occupation, resistance, and for the promotion of production in the occupied area in order to guarantee possession of the land. The document reveals that women and children are also instructed to resist, that landless peasants intend to build guerrilla bases in the Bico do Papagaio region, in Tocantins, and that while they were planning their action they proposed building homemade bombs. They are said to be heavily armed, but no reference is made to the weapons they have.

PT Deputy for Sao Paulo Luci Choinacki, who backs the Sao Paulo landless people, has questioned the contents of the report: "The movement has no political-partisan motivation, and envisages the fight for land as being for the sake of the workers' survival." She added that "the land conflict in Brazil has neither increased nor decreased over the past few years. It is exactly the same." "Because we are in an electoral year, the information is being used for electoral purposes," she said.

The PT deputy said that none of the 100,000 settlements were made out of the government's own will, but through the workers' struggle. She suggested that the government investigate those settlements to see that productivity has increased in those areas. She also proposed to check the work done by the Rural Democratic Union (UDR) to confirm the number of anonymous workers who were killed in armed conflicts. She denied that the movement is promoting any type of guerrilla training.

PT Deputy for Sao Paulo Jose Genoino, a member of the Defense Committee of the Chamber of Deputies, will next week ask SAE chief Admiral Mario Flores for a public audience with the members of the committee for them to learn about the reports' contents. "It is necessary to know what is partial and what is impartial in those reports," he said.

In order to obtain the information for the reports submitted to President Itamar Franco, SAE did the work that was previously done by the former agents of the defunct National Intelligence Service (SNI). To this end, SAE infiltrated the landless movements with its agents, who are supplying the government with new information every 15 days, and if necessary every week. SAE has not reported how many men are involved in this job.

The report describes the factors that gave rise to the movement. One of the highlights is the landless people's slogan: "The need for implementation of a revolution of workers to terminate the capitalist state, which is responsible for the current exploitation and misery of workers, reaching Socialism."

The document makes a thorough evaluation of land invasions in Brazil. It says that 122 occupations occurred this year. In Sao Paulo, for example, there were 20 actions by landless people. Parana is another main target, with 33 invasions. The report adds that no land conflicts have occurred in Goias and in most Amazonian states, despite the low productivity of land. The report notes that the MST is organized in almost all states, with the exception of Amazonas and Acre.

Concerning PT influence on the movements, the document emphasizes that "the PT has considerable power within the movement, even within the Coordination Faction, which partially disagrees with the political-ideological position of the revolutionaries."

In its conclusions the document says that the government position is not to negotiate under pressure. One of the recommendations is the adoption of measures that were planned for the farm sector, providing infrastructure to settlements and selecting families with devotion to farm work, to give them technological and community work orientation.

Roundup of Economic Reports

PY0206231594

[Editorial Report] The following is a compilation of reports on economic activities in Brazil monitored through 2 June.

The Securities and Exchange Commission has authorized GAZETA MERCANTIL to issue $23 million worth of shares, which makes it the first Brazilian media company with open capital. (Sao Paulo GAZETA MERCANTIL in Portuguese 26 May 94 p 1)

A study carried out by Atlantic Rating, of the Atlantic Capital consultant group, concludes that practically all Brazilian banks will record losses in July following the implementation of the real. This will happen mainly because they will have to change their applications, which are currently concentrated on profitable but inflationary federal public notes. One bank is considering a reduction of its personnel by 20 percent, while state banks are expecting a Central Bank measure to save them. About half of the 51 banks studied so far closed their 1993 balance with a portfolio of debts in arrears from borrowing clients that is above the desirable international standard of an average 1 percent. The Rio Grande do Sul State Bank, Banrisul, closed its balance with 9.89 percent of borrowers' debts in arrears. The Bank of Brazil has 8.13 percent, Sao Paulo State Bank, Banespa, has 4.22 percent, and the General Commerce Bank has 3.2 percent. Assets in loans to clients of 49 of the 51 banks studied are below 70 percent, which is the ideal figure for an economically stable country. (Sao Paulo FOLHA DE SAO PAULO in Portuguese 27 May 94 S1 p 8)

Sao Paulo industrial sales dropped by 12.4 percent in April compared with March. This means the Industrial Activity Index measured by the Sao Paulo State Federation of Industries, FIESP, and the Sao Paulo State Industries Center, CIESP, dropped by 4.2 percent during the same period and that the installed productive capability dropped from 76.9 percent in March to 75.2 percent in April. (Sao Paulo GAZETA MERCANTIL in Portuguese 27 May 94 p 11)

The Getulio Vargas Foundation and the Brazilian Capital Market Institute, Ibmec, have reported that the Rio Grande do Sul Airline, Varig, has accumulated losses of $614.5 million since 1991. Varig is the only Brazilian airline with a positive net patrimony that amounts to $486 million. It increased its operational net sales by 17.6 percent, which was equivalent to $2.44 billion in 1993. Varig's financial losses in 1993 amount to $286 million, and it has announced it will reduce its fleet and dismiss employees. The Sao Paulo Airline, VASP, and Transbrasil have lost together nearly $1 billion since the Cruzado Plan was implemented in 1986. Although VASP had an operational profit of $40 million in 1993, its debts made its final balance negative. VASP reduced its fleet from 59 aircraft in 1992 to 28 in 1993. It it reduced its staff from 7071 to 5358 employees during the same period. Transbrasil reduced its financial loss from $128 million in 1992 to $63 million in 1993. It reported an operational loss of $69 million in 1993. Transbrasil's debts amounted to $156 million in 1993. (Rio de Janeiro O GLOBO in Portuguese 31 May 94 p26)

The National Gas Distributing Companies Union, Sindigas, has reported that liquefied petroleum gas sales amounted to 450,310 tonnes in April, 4.6 percent up on the volume sold during the same month last year. Compared with March this year, sales dropped by 1 percent. The accumulated gas sales during the first four months of the year amounted to 1.71 million tonnes, a 2.3 percent up on the same period last year. Sindigas says this growth follows the minimum population growth. (Sao Paulo GAZETA MERCANTIL in Portuguese 30 May 94 p14)

The Brazilian Aeronautics Company, Embraer, has registered its greatest quarterly loss in its history; $18.9 million. This follows the crisis in the international aircraft market. The Embraer management believes this negative balance will not affect the company's privatization auction that will take place on 4 August. (Sao Paulo AGENCIA ESTADO in Portuguese 1516 GMT 1 Jun 94)

Brazilian Petroleum Corporation, Petrobras, today reported that it has closed the first quarter with a $23 million profit, $59 million less the $82 million earned during the same period last year. Petrobras attributed this drop to a price reduction from $16.66 per barrel in December 1993 to $15.76 in March this year. (Sao Paulo AGENCIA ESTADO in Portuguese 2343 GMT 1 Jun 94)

For the first time since March 1990, the National Treasury has auctioned Treasury Bonds, LFT, restoring them as part of the public debt composition. Of the $7 billion worth of LFT's offered yesterday nearly $2.5 billion were sold. Most of the buyers were investment funds administering banks. LFT's are interesting for funds that need to renew their portfolios during the transition into the real because their profitability is guaranteed since they earn the overnight market interest rate. LFT's with maturity dates in March and May 1995 were the only ones sold, while the others with longer maturity terms remained unattractive. The government also offered the first parcel of National Treasury Notes, NTN, in Real Value Unit, URV, on the market. It sold 2.05 million NTN papers. They pay 40.9 percent interest per year or 2.90 percent per month. This is slightly above the 2.75 percent real interest rate paid by the overnight market. (Rio de Janeiro O GLOBO in Portuguese 1 Jun 94)

The Espirito Santo State Government has temporarily postponed the auction of 20.7 percent of its shares in the Espirito Santo Power Plants, Inc., Escelsa, which was to have been held on 21 May at the Rio de Janeiro Stock exchange. It was postponed to give eight national and foreign investors more time to evaluate the situation. (Sao Paulo AGENCIA ESTADO in Portuguese 2307 GMT 31 May 94)

Amorim: Social Dumping 'New Form of Protectionism'

PY0206210594 Sao Paulo GAZETA MERCANTIL in Portuguese 27 May 94 pp 1, 6

[Article by Maria Helena Tachinardi]

[Text] Sao Paulo—The developed countries are expected to promote a debate on the social question, which ranges from salary policy and labor conditions to the treatment of needy children, within the new World Trade Organization (WTO). Foreign Minister Celso Amorim believes that if this happens, and if new rules are imposed on countries having cheap labor, a new form of protectionism would have been created.

Speaking at the seminar entitled "New World Trade Map" sponsored by this newspaper, Amorim said: "Instead of contributing to improving social conditions in developing countries, this would result in rich countries exporting unemployment to poor countries; that is, in the former transferring to the latter an untenable social burden."

This new method of pressure known as social "dumping" is one of the new issues raised at the end of the Uruguay Round of GATT negotiations. Trade issues concerning the environment, and policies on competition (rules governing competition among countries) are other topics that are emerging on the new agenda through the pressure exerted by the developed countries.

Ambassador Luiz Felipe Lampreia, the Brazilian representative to GATT, has contended that the WTO is not the appropriate forum to discuss either the social "dumping" issue or the connections between trade and labor standards. He said: "The International Labor Organization (ILO) has already concluded 200 conventions regarding this issue." Lampreia conveyed the Brazilian Government's concern over the possibility that the WTO might become a politicized organization "for reasons other than trade." He noted that the WTO could become politicized "if it carelessly introduces the social clause."

Lampreia chairs a GATT committee charged with studying the links between trade and the environment. The committee is due to propose to the WTO two years from now "the course of action to take" regarding this matter. The Brazilian Government is concerned about our exports of paper, cellulose, and shrimp, which have been threatened by ecological measures with underlying trade motives.

In the case of shrimp, Brazil had to sign an accord with the United States whereby Brazilian shrimp boats will be equipped with devices to avoid catching sea turtles.

Brazil signed the accord without reservations. It should have made the above requirement applicable only to fishermen operating in the northern part of the country, who are the main exporters of shrimp to the United States, thus exempting fishermen operating in southern areas, who are now complaining about this restriction.

Mexico, a major exporter of this product to the U.S. market, has had to conform to U.S. legal requirements designed to prevent the catching of dolphins.

Another controversial issue at this time of transition from GATT to the WTO deals with restrictive trade practices used by some companies in their international transactions.

Amorim said: "This is an old claim by developing countries that has now been compounded by the growing attention developed countries are devoting to competition policies. In a globalized economy, this type of practice could annul the liberalization efforts made by some governments. This possibility has in fact been recognized in the Uruguay Round accord on services and intellectual property rights."

Jesus Seade, deputy director general of GATT, who also attended the seminar, said: "The challenges are enormous. The Organization for Cooperation and Economic Development (OECD) is working in this. The GATT member countries have no modern laws on competition. Many practices do not encourage competition."

According to the foreign minister, it is a mistake to believe that governments and unions are united on the social "dumping" issue because unions are inclined to favor higher salaries.

Ambassador Julio Antonio Lacarte, "chairman" of the Group of Negotiations and Settlement of Disputes of the Uruguay Round, said that operating under the WTO umbrella will be an organization charged with settling controversies ("Dispute Settlement Body"—DSB), which will deal with disputes concerning each accord of the final Uruguay Round agreement. The DSB will be empowered to set up "panels" (arbitration committees), will monitor the implementation of rules and recommendations, and will authorize retaliatory measures if the recommendations are not observed. This is a step forward in relation to GATT, because the mechanisms for settling controversies there is spread out among the GATT Council and several committees created by the Tokyo Round.

For the first time GATT has also adopted the notion of processing and production methods. Imports will now have to go through a process designed to determine how the imported product has been manufactured.

Chile

Senators, Ministers Discuss NAFTA in Secret

PY0206150794 Santiago Television Nacional de Chile Imagen Internacional in Spanish 1100 GMT 2 Jun 94

[Text] A secret Senate session was held on 1 June. Foreign Minister Carlos Figueroa and Finance Minister Eduardo Aninat explained to the Senate the Chilean stance toward the free trade agreement with the United States. The two ministers went to Congress to participate in a secret Senate session, called specifically for this purpose.

Foreign Minister Figueroa confirmed that his policy in general is to uphold our country's independence and seek benefits for Chile.

Minister Aninat supplied a detailed and complete report on the possibility of signing this agreement.

[Begin recording] [Figueroa] We have participated in a very significant Senate session in which all the remarks

made by the senators were aimed at making our foreign policy and the international economic negotiations a state policy.

[Aninat] This was a very useful session because we gathered remarks, comments, safeguards, and risks. Concerning this issue, some senators believe in the possibility of incurring risks.

We have taken note and taken into account all the safeguard elements the Senate has supplied us so that they will be taken into account in future negotiations. [end recording]

During this session between the ministers and the senators, it was confirmed that it is necessary for the Senate to keep permanently posted on all NAFTA negotiations, bearing in mind the U.S. Senate's significant role in all issues linked to international trade agreements.

Deputies Demand Report on Pinochet Trip

PY0306001694 Madrid EFE in Spanish 1359 GMT 2 Jun 94

[Excerpts] Santiago, 2 Jun (EFE)—Several Chilean deputies from the Coalition of Parties for Democracy, which is currently in power, have submitted a bill asking that Congress request from the Defense Ministry a report on the trip made by Army Commander General Augusto Pinochet to the Czech Republic.

Congressional sources said today that the report will have to give all the details of the purpose of Gen. Pinochet's trip, a list of all the members of his delegation, the cost of the trip, and its financing.

According to the sources, the bill will be voted on next week. Some of the deputies who signed the bill said that Pinochet's trip abroad does not do Chilean democracy any good. [passage omitted]

Socialist Deputy Jaime Naranjo said that the problems encountered by Pinochet abroad—before arriving in Prague he was told to leave a hotel in Amsterdam—shows that Pinochet should not continue as Army chief.

All of these events abroad "only discredit the country" said Naranjo, in comments published by LA NACION. [passage omitted]

Israel's Peres Visits Congress, Discusses Peace

PY0206215594 Madrid EFE in Spanish 2011 GMT 1 Jun 94

[Text] Santiago, 1 Jun (EFE)—Israeli Foreign Minister Shim'on Peres emphasized in the Chilean capital today that in a war there is no other alternative but to win, while in peacetime there are the alternatives of negotiation and reaching agreement.

During an official visit to Chile, Peres discussed in the Chilean Chamber of Deputies the Middle East peace process.

In his speech the Israeli minister stressed that his country has chosen peace, and has engaged in the quest for the required agreements with the Palestinians. He added that after the historic agreements that have been achieved, Israel hopes to do the same with its Arab neighbors.

Shim'on Peres emphasized that it is necessary for all nations to support the peace process, which is "the only way to build a new Middle East."

In his visit to the Chilean Congress, in the port of Valparaiso 125 km west of Santiago, Peres also met Senate President Gabriel Valdes and Chamber of Deputies President Jorge Schaulsohn.

Peres's visit to Chile was the last leg of a Latin American tour that also included Mexico and Colombia. Peres returned to his country today. The tour is part of the Israeli authorities' policy of enhancing ties with Latin America. According to Peres, the Israeli authorities view Latin America as having great economic and trade potential.

During his visit Peres engaged in many activities, including a meeting with President Eduardo Frei Ruiz-Tagle and working meetings with Foreign Minister Carlos Figueroa, Defense Minister Edmundo Perez Yoma, and Agriculture Ministry officials.

Before visiting Congress, Peres met with Chilean entrepreneurs, with whom he reviewed the possibilities of increasing trade and mutual investment.

After his arrival on 31 May, Peres held a news conference in which he confirmed Israel's decision to pursue the Middle East peace talks. He announced that after the agreement reached with the Palestine Liberation Organization (PLO), these talks would be pursued with Syria, Jordan, and Lebanon.

The Israeli minister expressed his optimism over the Palestinian process of autonomy in Gaza and Jericho. Nevertheless, he described as "painful and old-fashioned" the language recently used by PLO leader Yasir 'Arafat, and his hints at a "holy war."

Peres stressed that the PLO is not now carrying out any terrorist actions. He said he trusts this situation will not be reversed. Peres emphasized that, in the long agenda that is still pending, "the wind is blowing favorably."

Shim'on Peres and his Chilean counterpart, Carlos Figueroa, signed an agreement removing the visa requirement for the two countries. This agreement will especially facilitate the visits of entrepreneurs. Visits by entrepreneurs and bilateral trade have both increased.

According to official figures, in the past two years Chilean exports to Israel grew from $5.3 million in 1992 to $13.6 million in 1993, a trend that remains unchanged.

Peres offered his country's full cooperation for a program to reclaim desert land in northern Chile and for technological and scientific transfers.

Authorities Concerned Over Economy

PY0306013394 Madrid EFE in Spanish 1707 GMT 2 Jun 94

[Excerpt] Santiago, 2 Jun (EFE)—Several Chilean authorities and business sector leaders agreed today that persistently high inflation rates, increased unemployment rates, and a drop in investments are causing concern within the Chilean Government and the private sector.

Data disclosed on 1 June by the National Statistics Institute (INE) shows that the annual inflation rate remains at 12.7 percent, following a rise of 1.4 percent in May, while unemployment rose to 5.3 percent; a 0.9 percent increase over the past 12 months.

All this, in addition to a growth of only 3.4 percent of the GDP during the first quarter and a persistent drop in the exchange rate, makes businessmen fear that the economic adjustment the government has been implementing for the past year may became negative and that the Chilean economy may slow down.

Chilean Economy Under Secretary Carlos Mladinic asserted that these figures reveal that the struggle to curb inflation—one of the government's main objectives and the main reason for the adjustment—is not easy and demands great discipline and austerity in public and private expenditures.

Mladinic denied that the Chilean economy has been drastically over-adjusted, adding that it is only "logical" that the measures to reduce expenditures would increase the unemployment rate.

Mladinic added that the government is maintaining its goal of an inflation rate not higher than 11 percent for this year. [passage omitted]

Roundup of Economic Reports

PY0206235494

[Editorial Report] The following is a compilation of reports on economic activities in Chile monitored through 2 June.

A public sector and private business commission will visit the PRC between 25 and 31 May and then go to Hong Kong to promote commercial relations. The negotiations will be conducted by Chilean exporters. The delegation will be headed by Economy Minister Alvaro Garcia and by Exporters Association President Ronald Bown. Chilean exports to PRC last year totalled $183.5 million, while imports totaled $212.5 million. (Santiago LA TERCERA DE LA HORA in Spanish 21 May 94 p 5)

The Chilean Exporters Association reported that 122,063,885 boxes of fruits were exported during the 1993-1994 season, up by 3.5 percent compared with the previous season. The United States is the leading importer with $49.8 million worth of fruit, while Europe imported $46.8 million worth. (Santiago EL MERCURIO in Spanish 21 May 94 pp 1, 23)

The Chilean and Venezuelan trade balance has been unfavorable for Chile since the economic complementation accord was enforced in April 1993. The Central Bank of Chile reported that exports to that country dropped by 6.2 percent between July and December 1993, and by 5.8 percent during the first quarter of this year, when sales totalled $14.5 million. The trade balance registered a $68-million deficit in 1993 following the purchase of oil and heating oil. (Madrid EFE in Spanish 1458 GMT 25 May 94)

The Central Bank of Chile on 22 May reported that Chilean foreign investments rose $188.8 million in the first four months of the year. The biggest investments were made in Panama—$215.5 million; Argentina—$61 million; and Peru—$33.7 million. The cumulated foreign investment was $1,233 billion from 1975 to April 1994 (Santiago EL MERCURIO in Spanish 23 May 94 pp B1-B2)

Preliminary figures released by the Central Bank of Chile show the GDP increased 3.4 percent during the first quarter of the year. Fishing registered the highest increase with 21.3 percent; transport and communications, 8.1 percent; industry, 5.5 percent; electricity, gas, and water, 5 percent; financial services, 4.3 percent; and personal services, including education and public and private health, 3.4 percent. Mining activities dropped by 0.7 percent and forestry activities dropped by 0.5 percent. (Santiago EL MERCURIO in Spanish 24 May 94 pp A1-A12)

Leftist Movement Wants Charges Lifted

PY0306010394 Madrid EFE in Spanish 1918 GMT 1 Jun 94

[Text] Santiago, 1 Jun (EFE)—The Manuel Rodriguez Patriotic Movement (MPMR), which abandoned the armed struggle in 1990, has asked the government of President Eduardo Frei for a draft law to allow 300 of its militants to be exempt from judicial proceedings.

MPMR leaders announced they will create an Orientation Office to gather information on "the situation of the militants living clandestinely."

The announcement was made through a document released today entitled "For the Normalization of the Life of Militants Who Fought Against the Dictatorship" which is signed by leaders Leandro Torchio, Cesar Quiroz, and Marcos Riquelme.

The document says that 34 MPMR of a total of 50 militants who escaped from jail under the Pinochet regime are living clandestinely and that another 270 are wanted by the law.

"There are about 300 militants who did not go through Pinochet's jails and who are being persecuted" said the leaders of the MPMR—which is a splinter group of the Manuel Rodriguez Patriotic Front (FPMR)—who in 1990 decided to join the democratic life.

The FPMR, which was created in 1984, decided to continue the armed struggle during the democratic government of Patricio Aylwin (1990-1994) who was accused of continuing the military policy.

The MPMR leaders believe it is necessary to legislate on the situation of those who struggled against the military regime and to establish the provisional release of those who have appeared in court to resolve their situation.

They also recalled that the militants fought against a regime that was condemned for 17 years by the United Nations for serious human right violations. They added that these people only committed the crime of "not yielding in their struggle for democracy."

The MPMR confirmed that Sergio Buschmann, actor and fugitive from justice who escaped from a Chilean jail in 1987, will return to Chile on 15 June accompanied by a U.S. lawyer.

Buschmann was arrested by the military regime for running a covert operation to introduce an arms shipment in Chile in 1976.

Buschmann lives in Nicaragua and has decided to return to Chile to face a trial which he hopes will create awareness over the situation of the so-called former members of the resistance against the dictatorship.

Colombia

Guerrilla Attacks Cause Oil Spill, Leave 3 Dead

PA0306024694 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 0000 GMT 3 Jun 94

[From the "Seven O'Clock Newscast"]

[Text] Today, ELN [Army of National Liberation] guerrillas blew up a stretch of the Cano Limon-Covenas pipeline near the municipality of Pelaya in southern Cesar Department.

More than 8,000 barrels of crude oil spilled into Gamboa ravine that flows into the Zapatosa marsh. This rich agricultural and cattle region is now facing an environmental emergency as a result of actions carried out by organized criminal groups. Over the past two weeks, several guerrilla attacks have taken place in this same area and have polluted rivers and streams throughout the region.

This afternoon, ECOPETROL [Colombian Petroleum Enterprise] technicians began implementing emergency measures to prevent the oil spill from spreading, reaching the marsh, and causing irreparable environmental damage.

In another attack, ELN guerrillas arrived at Villa del Rosario, Norte de Santander, some time after 0200 and proceeded to detonate explosive devices at the police department and the mayor's office. Several buildings near the police station, including the local comptroller's office, were also damaged by the blasts.

Following the attack, the ELN column proceeded to ambush a police patrol in Villa del Rosario, Cucuta. Three police officers were killed and four others seriously injured in the attack.

Gaviria Ratifies Law To Handle National Crises

PA0306041594 Santa Fe de Bogota Inravision Television Canal A Network in Spanish 1730 GMT 2 Jun 94

[Interview with Government Minister Fabio Villegas by Ricardo Canon at the Presidential Palace in Santa Fe de Bogota; from the "Midday Television Newscast"—live]

[Text] [Canon] A ceremony has just concluded here at the Presidential Palace—a ceremony in which President Cesar Gaviria ratified the Statutory Law on Exceptional Conditions, which makes it possible for the government to deal with certain unusual situations. Here is Government Minister Fabio Villegas. Mr. Minister, looking into the future, what does this law mean for upcoming administrations?

[Villegas] For the first time in the history of the nation, the nature of the special powers available to the executive in times of crisis has been spelled out. There is now a balance between state powers in restoring normalcy and successfully dealing with these situations and the respect for the rights of all Colombians.

[Canon] Does this mean that the state of exceptional measures, which was used before this law was enacted, has been rendered obsolete?

[Villegas] The state of exceptional measures, at least as we knew it in the past, has disappeared from the country's life and juridical order. We now have the power to handle crises and to preserve social peace, but with controls and limitations clearly established by this new law.

Decree Restricts Personal Drug Consumption

PA0306042694 Santa Fe de Bogota EL TIEMPO in Spanish 1 Jun 94 pp 1A, 8A

[Text] Approximately 30 days after the Constitutional Court [CC] legalized personal drug use, yesterday, the government issued a decree aimed at strengthening essential prevention programs and restricting drug consumption and possession in the country.

Workers will immediately be fired upon proof of drug consumption, and professionals will lose their practicing licenses. Likewise, yesterday, the government yesterday minors and pregnant and nursing women from consuming and possessing drugs. It also forbad the use of psychotropic substances at elementary and high schools, malls, restaurants, bars, night clubs, taverns, recreation centers, and all public places in general.

All education centers nationwide were granted a 30-day period to adopt the necessary measures to curb drug consumption in any of its forms as part of their internal statutes. The government also banned drug consumption

in all sports activities in the country. The same measure applies to prisons, businesses, and other workplaces.

According to the decree, those who violate restrictions on drug consumption could be admonished, fined, and even expelled from where they are, whether a school or a public place. In addition, the government decided those who are caught driving a vehicle while under the influence of drugs could be detained by authorities for a period of up to 24 hours and sentenced to pay a minimum of up to 20 salaries. In addition, their driver licenses could even be suspended.

Last night, Justice Minister Andres Gonzalez said: "Drug consumption is not a basic right, but we are warning the objective of the decree is merely to establish certain restrictions to the CC ruling rather than challenging it." Those laws that penalize drug sales, trafficking, production, and distribution within the country are in effect, and the government will not hesitate to enforce them against those who violate them.

Meanwhile, Drug Director Gabriel de Vega Pinzon has said strategies of integral production against drug addiction will be reinforced to protect the people's basic rights, which could be affected by drug problems. He added that within the framework of antidrug strategies, we are progressing in tangible prevention and rehabilitation programs in Medellin, Atlantico, Caldas, Cali, Huila, and Santander.

Restrictions

The decree prohibits drug possession, trafficking, and consumption in the country's public and private schools. School officials will be in charge of reporting cases of drug possession and consumption. In case minors are caught with drugs, school officials will notify their parents. Student penalties could range from admonition to expulsion, including suspension. Moreover, all schools will include drug prevention subjects in their curriculum.

Governors and mayors, with the coordination of the Education Ministry, will verify the development of prevention programs at schools and impose pertinent disciplinary measures.

Court, State Officials Issue Statement

PA0206123494 Santa Fe de Bogota EL TIEMPO in Spanish 28 May 94 p 9A

[Joint statement issued by Constitutional Court president, Council of State president, and the prosecutor general of the Republic in Santa Fe de Bogota on 27 May]

[Text] Meeting in Santa Fe de Bogota today, 27 May 1994, and taking into account the need to uphold and reaffirm one of the fundamental principles of the state of law, we declare:

First—The normal functions of democratic institutions impose absolute respect to the constitutional principle that establishes the separation of state branches, legislative, executive, and judicial. Anything that infers a disavowal of the independence of one of those branches is against the Constitution.

Second—We reaffirm, now and always, the judicial branch's independence and ability to act in accordance with the exclusive authority the Constitution assigns to it. We praise the respect and observance used to express disagreement with one of its decisions which, although debatable, must not be attacked by turning the public against the institution that dictated it, as has been done by certain government officials whom the Constitution and the law have not given such attributes.

Third—The Constitution includes its reform and the mechanisms to be used to this end. Institutional stability is not furthered when each time an authorized judicial branch official makes a decision that does not satisfy certain interests, proposals to change the Constitution are made so as to invalidate the decision.

[Signed] Constitutional Court President Jorge Arango Mejia, Council of State President Amado Gutierrez, and Prosecutor General of the Republic Gustavo de Greiff Restrepo.

Foreign Minister Meets Israel's Shim'on Peres

PA0206222894 Santa Fe de Bogota EL TIEMPO in Spanish 30 May 94 pp 1A, 19A

[Text] Democracy was not the only protagonist on 29 May. Peace was too, and it arrived on board a plane hoping for a better future, and this was the message Israeli Foreign Minister Shim'on Peres brought with him.

Foreign Minister Noemi Sanin, accompanied by a large delegation of the Jewish and Palestinian communities residing in the Colombian capital, received Peres at Catam Military Airport in western Santa Fe de Bogota.

Peres, on a brief tour of Latin America that includes only Mexico, Colombia, and Chile, will discuss topics such as economic rapprochement and technological cooperation with Colombian officials. The topic of peace predominated, however, during the foreign minister's news conference at the Catam runway.

The Colombian foreign minister said: "Peres is a protagonist of peace. Colombia must pay homage to him for his efforts and the success he has had in both this first chapter of peace between Israel and the Palestinians and for everything he is doing in the Middle East, as an example to the world on how peace should be made."

Peres stressed the importance of the democratic process he witnessed upon his arrival. "Colombia, despite the bad press, has always been a country that is stronger due to its votes rather than its bullets. I am certain the results of today's elections will allow it to continue down the path of economic recovery and growth in other sectors."

"Just as you are doing, we are trying to consolidate peace among our people and in our region. In Israeli, we are

determined to continue with the upcoming chapters of peace in the process we have begun," Peres said.

With contagious optimism, the Israeli foreign minister expressed his conviction the peace being built in the Middle East will be a solid and lasting one. "I believe the entire world is progressing from a history of wars to the creation of peace. Nothing that is important in life can be achieved through war. What can be achieved through war has ceased to be important," he added.

According to the foreign minister, the step that was taken with the implementation of the Palestinian autonomies in the Gaza Strip and the Cisjordanian city of Jericho, as established in the declaration signed by the Palestine Liberation Organization (PLO) and Israel in Washington last September, is irreversible. "I believe we are deeply interested in securing peace for our children. We are tired of war. Neither side has achieved anything by military means," he said. The peace process in the Middle East is loaded with obstacles, however. Perez' view is pragmatic.

Asked about the statement by PLO President Yasir 'Arafat about the recent call for a "holy war" for the liberation of Jerusalem, Peres said actions are far more important than words, adding "we are satisfied that despite Arafat's statements he has continued to fulfill our agreement."

Peres emphatically said: "Jerusalem will remain a united city, the capital of Israel. Jerusalem is politically closed but religiously open. We are not going to turn it into a Berlin, divided in two. It will be open to all religions."

Peres anticipated a new era in relations with Catholics and Muslims. "We will sign an agreement with the Vatican in Jerusalem and exchange ambassadors this year. This was not an ordinary political move. It is something that took 1,994 years to happen. All of the sacred sites will remain open to all religions," he reiterated.

For Peres, the key element of the changes that are occurring worldwide is the economy. "If one has an adequate economy, one obtains adequate results," he said. He affirmed, therefore, there will be no peace in Israel if this country remains an island of prosperity in a sea of poverty. "We will do everything within our means to improve standards of living in all parts of the region, not only in Israel."

Peres mentioned an economic example of the importance of peace in the region. According to him, the Middle East spent more than $1 trillion in 10 years to buy bombs. If half this amount had been spent on education, the Middle East would be a very prosperous region, he said.

Peres offered his country's technological assistance to Colombia. "We will gladly share whatever experience we have in the agricultural field. Israel has improved its agricultural production by 1,200 percent in 25 years without water or land."

He said Latin America is also experiencing a profound transformation, a factor which plays a significant role on the world stage. "Colombia, one of the four most important countries in Latin America, will play its proper role," he said.

Nevertheless, Peres reserved his highest praise for the Colombian foreign minister. "We are very happy to improve relations between Colombia and Israel. The Colombian foreign minister's visit to Israel was very successful. She made a magnificent impression on us."

Article Views Suspended U.S. Radar Operations

PA0206185794 Santa Fe de Bogota EL TIEMPO in Spanish 31 May 94 pp 1A, 11A

[Text] Since the Cartagena Agreement on the struggle against drug trafficking was signed on 15 February 1990, which includes the United States, Colombia, Peru, and Bolivia, never has such a tense situation been generated among the signatory nations as the one observed last weekend between the United States, Colombia, and Peru.

One month ago, the Pentagon issued an order to suspend operations of the two radars that detect aircraft. These radars operate in Colombia as a result of that agreement. The same decision was made regarding the radars that operate in Peru.

This decision—labeled by high-ranking Colombian Government spokespersons as "not consulted, untimely, unilateral, and discourteous"—has not been officially communicated to the authorities by the U.S. Government which has preferred to remain silent.

The incident began on Sunday, 1 May. On that day, the Colombian Air Force officer in charge of radar operations in Aracuara and Leticia (Amazonas), officially communicated to the Defense Ministry that the passing on of information on flights from the radars was being suspended by the U.S. military without any explication. Since then and to the present, the two Colombian radars have not been operating.

The order was issued by the Pentagon to the soldiers through the U.S. Southern Command in Panama. A high-ranking government official said: "The news was baffling although at the beginning it was said that the suspension was only for eight days."

The following day, a Colombian Government official contacted the embassy, which had no official information. At that point, President Gaviria decided to request a formal explanation for what was happening. That was 28 days ago, and no reply has been received as yet.

In Colombia, the matter was handled with confidentiality, until Sunday, when U.S. daily THE WASHINGTON POST reported that Colombia and Peru "would take reprisals" against the United States as a result of its decision to suspend operations of the four radars. Those "reprisals" would be the decision to ship out of the country two 30-year-old radars that were used in the Vietnam War and which have been of no use in the struggle against drug trafficking for the past month. A government spokesman said that of course the removal of the radars would also be

accompanied by "a cordial invitation" to the U.S. soldiers and experts in charge of their maintenance to leave the country. No government official has confirmed or denied that decision. A government spokesman consulted by EL TIEMPO, however, said "it is obvious that if the radars are useless, there is no sense in keeping them or their technicians in Colombian territory."

Meanwhile, the authorities know that drug traffickers' illegal flights have been on the rise in the past month due to the total absence of control in that Amazon area. This is where drugs from Bolivia and Peru enter Colombia.

The official report on the illegal flights indicate that in 1993, in that area, 375 aircraft were detected and up until 1 May this year, 200 flights were reported. This past month an average of one illegal flight per day has been added.

The government's final determination on the U.S. decision will only be adopted when the United States gives a formal explanation of what is occurring. In the meantime, it is only known that the suspension of radars operations was decided by the Pentagon, apparently without the blessing of the State Department or the Justice Department. What some government officials fear is that an explanation will never be received, therefore Colombia will have to make a decision.

Those who are caught driving under the influence of drugs or other substances will be sentenced to pay the minimum of 20 equivalent salaries, and their driver licenses will be suspended for up to a year. They will even be arrested for 24 hours, and their vehicles will be impounded.

Likewise, those who, through a medical examination, are found addicted to any psychotropic substance will not get their licenses renewed, and those who, after obtaining their licenses, become addicts or second time offenders in illegal possession of ammunition, arms, or explosives will get their licenses revoked.

Heads of public offices are authorized to unilaterally breach work contracts when public employees go to their workplaces under the influence of any substance or when they consume or incite others to consume drugs in the workplace.

Furthermore, all public employees of sound mind are forbidden from using and consuming drugs and psychotropic substances. They will be penalized as stipulated by Decree-Law 2400 of 1968 and by other regulations that supervise public posts.

The consumption of psychotropic substances and drugs is also forbidden to those who, due to the nature of their jobs or professions, impose risks to others.

The Decree includes in this category drivers of any type of vehicle, pilots, ship captains, aviation students, flight instructors, machinists and operators, doctors, dentists, and other health professionals who deal with or tend combustible or flammable materials and substances, including explosives, toxic, poisonous, corrosive, or radioactive substances, as well as those who bear or ship arms, air traffic controllers and operators, and all ground plane maintenance and support technicians.

The violation of these regulations by these professionals will lead to the suspension, disqualification, or revocation of the license or permit to practice their professions.

The family, community, society, and state will be responsible for promoting or implementing policies geared toward avoiding and undermining the causes and consequences of drug consumption.

This is why the National Drug Council will have to evaluate the scope of the problem and coordinate with other governmental institutions projects of prevention and programs that will be implemented locally, regionally, and nationally.

The country's radio and television stations will also have to air campaigns aimed at fighting drug trafficking and consumption as often and as long as the National Drug Council deems convenient.

To that effect, the government ordered the council to issue, within 30 days, pertinent regulations and asked the Communications Ministry to continue to promote and develop communication strategies to overcome this problem; besides, the Health Ministry, secretariats, and departmental services will embark on rehabilitation campaigns and programs at the level of their treatment facilities.

Finally, public and private employers must conduct permanent prevention campaigns to make preventive measures effective, and they must let authorities inspect and investigate as needed.

Drug use and consumption were banned from public places, including theaters and stadiums, as well as ships, planes, government offices, restaurants, bars, night clubs, hotels, and parks. Managers and directors of public places will be able to expel drug consumers. Those public places that allow drug consumption will be temporarily closed for up to 30 days.

Drugs whose effects enhance athletic performance, reduce anxiety, and artificially diminish exhaustion cannot be used in any sport activities. Doctors who prescribe these type of substances to athletes will no longer be able to practice in the country.

Those who drive under the influence of drugs will be sentenced to pay up to 20 minimum monthly salaries, and their driver licenses will be suspended for up to a year. They will also be detained for 24 hours.

No public or private employee will be able to go to his workplace under the influence of drugs or to consume them while working. Violating this regulation will cause employers to breach his contract.

The decree also stipulates prison inmates are forbidden from possessing or consuming drugs and psychotropic substances, as stipulated by 1993 Law No. 65 of the Penitentiary Code.

After medical, psychological, and psychiatric evaluations are made, prison medical services will include rehabilitation treatment for inmates who are consuming psychotropic substances to help them recover. This regulation does not exempt them, however, from being penalized, as stipulated by the law.

Penitentiary and surveillance guard members who are caught consuming or possessing drugs or who bring drugs to prisons will be fired. Disciplinary measures will be taken as well.

From now on, those who request gun licenses will be given a psychological and physical aptitude test. In case they are found to be drug or psychotropic substance addicts, their licenses will be revoked. Furthermore, those who bear arms, explosives, or ammunition under the influence of these substances will be sentenced to pay up to the minimum of one monthly salary, although this does not mean they are exempt from disciplinary measures. Second time offenders will have their gun licenses permanently revoked as stipulated by Decree 2535 of 1993.

The Minors Protection Code stipulates minors, pregnant or nursing women, and those who are considered unstable according to the Civil Code are forbidden to consume drugs. The regulation indicates women in either one of these two conditions or minors who consume drugs will be sent to a family counselor who will be able to reprimand the dependent minors' parents, to grant custody to a close relative, to place them in a foster home or a special protection center, or even to begin procedures to adopt neglected minors.

These measures are aimed at guaranteeing personal care and abating the perils that may threaten minors' health and morale.

Ecuador

'Red Sun' Guerrillas To Lay Down Arms

PA0306031394 Quito Voz de los Andes in Spanish 2300 GMT 2 Jun 94

[Text] Defense Minister General Jose Gallardo has announced that Red Sun—Puka Inti, in Quechua—an Ecuadoran terrorist group similar to Peru's Shining Path Maoist movement, will surrender its weapons. This evening we will have very pleasant news for the Ecuadoran people, Gallardo said, although he would not provide details.

Red Sun began operating about three years ago and carried out dynamite attacks on public installations and on the headquarters of political parties. None of those attacks produced casualties.

[Mexico City NOTIMEX in Spanish at 2105 GMT on 2 June, in a similar 150-word, Quito-datelined report, adds: "Gallardo reported that the subversive Ecuadoran group will surrender its weapons to military authorities within the next few hours and that its members will join the legal democratic process."]

Paraguay

Israeli Ambassador on Probable Embassy Closure

PY0206151594 Asuncion NOTICIAS in Spanish 2 Jun 94 p 10

[Text] On 1 June, Israeli Ambassador Shmu'el Merom stated he personally was doing everything he could to stop the closure of his country's embassy in Asuncion, and he mentioned that this possibility had no links with an alleged "irritation" with the Paraguayan Government. "On the contrary, our bilateral relations are getting better and better every day through cooperation agreements," he said.

He also pointed out the fact that Paraguay has decided to open an embassy in Israel is a demonstration of the excellent bilateral relations. "With this, President Juan Carlos Wasmosy has kept his word," Merom stressed.

The diplomat also indicated that the probable closure of his country's embassy is being evaluated by an Embassy Section Commission and that within two weeks a final decision will be made, and he emphatically rejected the fact that the decision could be linked to alleged Israeli "irritation" over military matters, as it had been given to understand.

Merom also indicated that there is not a large Jewish colony in Paraguay, some 900 people. He also mentioned that his country's important decisions were made in Jerusalem, the capital, and not Tel Aviv.

He reiterated that if the embassy's closure is approved, the appropriate steps will be followed and the announcement will be made in the formal manner. He pointed out that cultural and other types of cooperation agreements will follow their normal courses through a concurrent ambassador or a permanent one in Asuncion. "The current excellent relations between Paraguay and Israel will continue to progress for the satisfaction of both parties," the ambassador said.

Merom also clarified that an eventual decision by his government has nothing to do with the United States, and he also denied that his government is an "unconditional ally" of the United States. hl

Roundup of Economic Reports

PY0206234894

[Editorial Report] The following is a compilation of reports on economic activities in Paraguay monitored through 2 June.

Yesterday, Presidential spokesman Guillermo Yalik told reporters that the inflation rate in May was 0.5 percent. Total inflation for the year now stands at 9.8 percent. (Asuncion ABC COLOR in Spanish 31 May 94 p 13)

The Central Bank reports that total international reserves at the end of May stand at $901 million, and that the average interest the bank receives for its deposits is 3.8 percent. (Asuncion ABC COLOR in Spanish 31 May 94 p 13)

Peru

State of Emergency in Puno Provinces Extended

PY0206224094 Lima Radio Programas del Peru Network in Spanish 1800 GMT 2 Jun 94

[Text] The state of emergency has been extended until August in the Provinces of Carabaya, Sandia, and (San Antonio de Cupina), Puno Department, on the request of the Armed Forces.

The purpose of the extension of the state of emergency, which includes the suspension of individual rights, is to assist the countersubversive operations being carried out by the Army in that part of the country.

Central Bank's Support of Dollar Rate Detailed

PY0306021194 Lima EL PERUANO in Spanish 25 May 94 p B1

[Text] Yesterday, Central Reserve Bank [BCR] President German Suarez reported that "to prevent the nominal exchange rate from dropping, $700 million has been bought from the black market so far this year, $300 million of which was for the executive branch, while the remaining $400 million was for the BCR."

He added that the $400 million purchased by the BCR almost doubles the amount that was purchased last year, and that this means that the bank is always striving to improve the exchange rate parity, in order to avoid causing big losses to the export sector.

Suarez noted that international reserves stand at approximately $4.6 billion, and that this amount includes the income of currency from the sale of Peruvian Telephone Company and National Telecommunications Enterprise. "If we exclude this operation, reserves stand at $3.2 billion," he said.

During a brief explanation to the Budget Committee, which summoned Suarez and Economy Minister Jorge Camet to explain the targets that the Letter of Intent registered for their sector, the BCR president said the exchange rate lag stood at approximately 15 percent.

He said that if the inflow of foreign capital for investment grows, the exchange rate lag could also grow. "Colombia and Argentina are experiencing the same foreign capital growth, and their exchange rate lag stands at 16 and 40 percent, respectively," he said.

Legal Bank Reserves

Concerning legal bank reserves, Suarez said additional reserves covering foreign currency deposits will not be reduced until confidence in the national currency improves. "Dollar deposits still account for 70 percent of bank deposits," he said.

Concerning expectations over an exchange rate increase, Camet said the budget provided for an overestimated exchange rate of 2.7 new soles to the dollar for the end of the year. "The wisest figure was given by the BCR calculation, which indicated 2.43 new soles to the dollar at the end of the year," he emphasized.

Economic analysts have said that the purchase of foreign currency by the BCR will have a slight effect this month because enterprises will need dollars in May to meet time-in-service compensation (CTS) requirements. As is known, most employees have chosen this type of dollar deposit.

'Terrorist': SL Has 'Several' Regional Leaders

PY0306020594 Lima EXPRESO in Spanish 25 May 94 p A6

[Text] The current Shining Path [SL] leadership is headed by several regional leaders, among them Oscar Ramirez Durand, also known as "Feliciano," who has great influence but not absolute power, according to Dincote [National Counterterrorism Directorate].

This information was granted by Felipe Tenorio Barbaran, also known as "Albino," who was arrested a few days ago in Huacho together with other SL members whose identities have still not been revealed. "Albino," according to the Dincote spokesman, also disclosed that he had belonged to that elite SL group.

Tenorio Barbaran asserted that "Feliciano" is not the only leader of this unruly faction, but it has still not been determined who the other leaders of the group's so-called "collegiate presidency" are.

This SL faction is against the peace agreement upheld by Abimael Guzman Reinoso.

"Albino" also admitted having been a leader of the so-called North Zone Committee (Barranca-Huacho) and the intellectual author of attacks perpetrated by the SL in the zone between the years 1990-93.

After being named a member of the SL Central Committee, he was invited to the capital to plan the attacks they would perpetrate. At that time, he appeared in a video, together with Guzman, dancing Zorba the Greek.

Felipe Tenorio Barbaran, in his capacity as SL chief in the northern zone, shared the leadership with Daniel Angel Ramirez Martel, aka "Oscar," who was arrested last year together with another nine terrorists of the zone.

Between the years 1990 and 1993, they perpetrated some 30 selective murders against mayors of different towns, policemen, civilians, an Air Force general, and three Japanese engineers. Among their victims are Air Force General Julian Olivera Angeles and the engineer Javier Puigross Planas.

General Denies Drug Trafficking Charges

PY0306032494 Lima LA REPUBLICA in Spanish 25 May 94 p 19

[Text] According to a reliable judicial source, General Jaime Rios Arayco said, in his testimony before Judge Gloria Arteaga Lucas: "I am only a scapegoat. The real

protectors of 'Vaticano' are other people, and some of them were rewarded with appointments abroad."

Gen. Rios admitted, however, that Demetrio Chavez Penaherrera ["Vaticano"] virtually fed the troops deployed in his area of operations by giving them money and other donations.

In his testimony Gen. Rios said: "At that time, we did not know he was a drug trafficker. Everyone knew him as a prosperous businessman, some kind of generous patron."

Gen. Rios and the other officers accused of covering up drug trafficking and allowing corruption are being held on Punta Lobos Island, Pucusana, in charge of Air Force personnel.

Gen. Frank Tweddle Granda, who was sentenced to 15 years in prison for drug trafficking, was also held there from 1980 to 1981.

According to the accusations, Gen. Jaime Rios Arayco and the other officers did not take any measures during their stay on the Huallaga Front to repress the criminal activities of Demetrio Chavez Penaherrera, "Vaticano," and his gang. On the contrary, they had friendly contact with him and received "donations" on several occasions.

It is even said that Gen. Rios personally prevented the capture of some of "Vaticano's" agents, and reprimanded the policemen who carried out antidrug operations against his consent and authorization.

In this regard, Gen. Rios told Judge Gloria Arteaga that the accusations are not true, and that he has become "a scapegoat" to hide the real protectors of drug trafficking, some of whom "have been rewarded with appointments abroad."

Apparently Rios was referring to Gen. Eduardo Bellido Mora, brother-in-law of Army Commander General Nicolas de Bari Hermoza Rios. According to various reports, including the comments of Major Evaristo Castillo Aste, Bellido Mora has been mentioned as one of the "protectors" of Demetrio Chavez Penaherrera. Bellido is currently the Peruvian military attache in Israel.

It was learned from judicial sources that the other officers who were also accused with Gen. Rios Arayco have basically agreed with their chief on the Huallaga Front that Demetrio Chavez virtually fed the Army Command, donating money to feed the troops deployed in that zone to fight drug trafficking and terrorism. But according to their instructions, they were not aware Chavez was a drug trafficker.

Regarding this case, it was learned yesterday that the judge of the 42d Criminal Court will ask the president of the Lima Superior Court to add the accusations under investigation in the 47th Criminal Court to the one he, Judge Alzamora, has been investigating for months against the main suspect, Demetrio Chavez Penaherrera, "Vaticano."

A judicial spokesman said the combination of the cases would be appropriate as they deal with the same charges against "Vaticano," for the sake of economy in the legal process, and because events of the same nature, and against the same people, cannot be separated.

It was reported by judicial sources that Judge Gloria Arteaga has scheduled for next week new testimony by Gen. Rios Arayco and the other officers.

Lima Mayor Belmont To Stand for President

PY0206203294 Madrid EFE in Spanish 0231 GMT 28 May 94

[Text] Lima, 27 May (EFE)—Lima Mayor Ricardo Belmont, who is an independent, today announced his candidacy for the presidency of Peru for the 1995 general elections.

During a news conference, Belmont said his decision is a result of "a deep reflection that leads me as a Peruvian to follow my conscience." He said: "There is no way back, the speculations are over. I will run as an independent, without alliances with any groups."

Belmont referred to Peruvian President Alberto Fujimori who, according to all political observers, will run for a reelection and whom Belmont has described as "promoting the division, not the unity of the Peruvian people."

Belmont is complying with a second term as Lima mayor after being reelected last January. He said he has not yet begun his campaign and that he will totally engage in a campaign "once the game rules are clear."

"No matter what the polls, Congress, or the media say, Belmont will run in the elections," said Belmont, founder and leader of Obras political movement.

Last month, he announced he would not run although some sectors considered him a probable candidate.

The Lima mayor became one of the harshest critics of President Fujimori after the government passed a law cutting municipal income which, according to Belmont, prevents him from implementing more than a dozen works he considers essential for Lima.

Opposition members considered the law seeks to neutralize Belmont's capability of action as mayor and to prevent him from carrying out works that would allow him to gain support for a probable presidential campaign.

Cusco Mayor Luis Caceres has also announced his candidacy for the presidency. According to the polls, former United Nations Secretary General Javier Perez de Cuellar is Fujimori's strongest contender if he decides to run. Perez de Cuellar has said it is too early to decide.

Roundup of Economic Reports

PY0206235894

[Editorial Report] The following is a compilation of reports on economic activities in Peru monitored through 2 June.

The Peruvian Government received $1.361 billion as a result of the auction of the Peruvian Telephone Company, and the sale of 35 percent of the shares of the National Telecommunications Enterprise of Peru. (Lima LA REPUBLICA in Spanish 18 May 94 Economic Section p 11)

The National Statistics Institute on 1 June reported that Peru's industrial installed capacity increased 10 percent from May 1993 to 31 April. The total use of industrial companies' installed capacity rose to 56 percent. The cement and metal industries registered the greatest increases, with 90 percent and 83 percent respectively. The private Apoyo Inc. consulting firm reported that the average usage rate of the industrial installed capacity ranges from 60 to 70 percent. (Madrid EFE in Spanish 1908 GMT 1 Jun 94)

Uruguay

Roundup of Economic Reports

PY0306031194

[Editorial Report] The following is a compilation of reports on economic activities monitored through 2 June.

Unemployment in Montevideo Department stood at 8.7 percent in the period extending from February to April 1994, thus registering a slight increase compared with the first quarter of the year, in which the unemployment rate was 8.1 percent. (Montevideo EL PAIS in Spanish 27 May 94 Market Indicators Section p 1)

The Central Bank reported on 26 May that the central government registered a $22.6 million surplus in the first two months of the year, thus reversing last month's negative result. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 27 May 94 p 11)

According to figures disclosed by the Central Bank on 26 May, the trade deficit continued to grow in March, totaling $741.2 million over the last 12 months, which represents 5.6 percent of GDP. In the first quarter of the year, the trade deficit was 55 percent higher than the corresponding period last year, amounting to $175 million. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 27 May 94 p 10)

According to information disclosed by the National Statistics Institute on 27 May, salaries declined in real terms in April, both in the private and public sectors, by 0.9 and 2.8 percent respectively. Despite this decline, salaries in the Civil Service increased by 1.2 percent in real terms in the first four months of the year. Salaries in the private sector, however, declined by 0.3 percent in the said period both in Montevideo and in the interior. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 30 May 94 p 9)

Wholesale prices went up 2.6 percent in May, thus totaling 11 percent so far this year and 30.9 percent over the last 12 months. This information was released by the Central Bank on 30 May. The items that registered the highest increase were oil by-products (7.2 percent), nonmetal minerals (4.8 percent), and clothing (4.5 percent). (Montevideo EL OBSERVADOR ECONOMICO in Spanish 31 May 94 p 8)

Uruguay's trade with its partners from the Common Market of the South, Mercosur, grew by 19 percent in the first quarter of the year compared with the corresponding period last year, thus representing 47 percent of Uruguay's overall trade. Uruguay's leading trading partner is Brazil, whose exports to our country amounted to $157.7 million in the first quarter, thus registering a 29 percent growth compared with 1993. Uruguay's trade deficit with its Mercosur partners added up to $122.4 million in the said period. (Montevideo EL OBSERVADOR ECONOMICO in Spanish 31 May 94 p 8)

Venezuela

President Cited on 'Destabilization Plan'

PA0206172394 Caracas Union Radio Network in Spanish 1100 GMT 2 Jun 94

[From the "Union Radio News" newscast]

[Text] President Rafael Caldera has admitted the existence of a destabilization plan, as Defense Minister Rafael Montero Revette had reported to the Congress. The president made this statement when he participated in the inauguration of the day of reflection on constitutional reforms held at the Catholic University amphitheater.

Caldera indicated that measures have been taken on the alleged destabilization plan by the corresponding intelligence corps and an investigation has been opened on the case. With regard to the constitutional reforms, the president said that although this is not the solution to the nation's problems it is a condition for making the major changes the nation awaits.

Minister on Destabilizing 'Centaur Plan'

PA0206172194 Caracas EL NACIONAL in Spanish 1 Jun 94 p D-1

[By Luis Alonso Lugo]

[Text] After leaving a private meeting with members of the Chamber of Deputies Defense Committee, Defense Minister General Rafael Angel Montero Revette acknowledged that part of the economic and financial sector is promoting a destabilization plan that would affect all other sectors of Venezuelan society.

In his elusive responses to newsmen's questions, the minister said "a plan is being executed, as we all know, which includes economic, social, financial destabilization, and subversion. We are adopting intelligence measures, however, to investigate and to do everything that we can to emerge from the crisis."

The minister voiced his optimism about "the measures adopted by the government which caused the rumor strategy that they tried to implement to fail."

Centaur Plan

For his part, Deputy Ibrahim Sanchez, president of the Chamber of Deputies Defense Committee, reiterated that they have not been able to pinpoint what area of the financial sector the Centaur Plan is part of. The Centaur Plan consists of sending threatening facsimile statements to certain persons and financial institutions to create uncertainty.

According to the legislator, the minister referred to threats of bankruptcy and false dollar quotations as part of a direct attack on the Venezuelan financial system. This plan, in view of its serious economic implications, will be investigated by intelligence officials.

Montero Revette cited as an example a package of counterfeit dollars detected before they were placed on the financial market. This averted a complex situation which could have had violent reactions on the part of buyers who would have been swindled.

The defense minister recognized also that authorities are investigating the influence that narcotrafficking might have on this situation "where it is not a case of persons of leftist or rightist persuasion, but of persons who are motivated by money."

Montero Revette ruled out the possibility that officials who were dismissed for their participation in the 1992 thwarted coup are involved in the destabilization plan.

Other deputies who attended the meeting said the defense minister had a document on the Centaur Plan, which did not have specific information, but which only mentioned a so-called "Ayacucho Group."

Spokesman Questions Amnesty International Report

PA0306043694 Caracas Union Radio Network in Spanish 2200 GMT 31 May 94

[From the "Union Radio News" newscast]

[Text] Speaking on behalf of the executive branch, Guillermo Alvarez Bajares, minister of the Central Information Office [OCI], has denied Amnesty International's predictions that very serious incidents will take place in Venezuela because of the socioeconomic situation the country is now facing. Vicente Briceno has this report:

[Begin recording] [Briceno] The OCI minister downplayed Amnesty International's report that urges the government to be on the alert for social unrest that could emerge within the next few months. According to the government spokesman, there is no reason why such incidents, which would have a negative impact on democracy, should emerge in Venezuela. In turn, he said those who are forecasting chaos are harbingers of doom.

[Alvarez] These predictions make no sense. We certainly respect Amnesty International, an international nongovernmental organization, and we respect its right and obligation to monitor human rights. Amnesty International prepared a report on Venezuela and pointed out there were human rights violations in Venezuela during the past few years. We find it unusual that an Amnesty International spokesman has turned his attention to Venezuela, because currently there are a great many opportunities to exercise all democratic rights. He is telling us, I do not know based on what, that we must be on the alert because of the crises that might arise in Venezuela within the next few months.

[Briceno] In another turn of events, Minister Alvarez said he was pleased with the civic Lights Against Crime campaign, whereby Caracas drivers turn on the headlights of their cars to call attention to rising violence. The movement last staged a peaceful demonstration on 31 May. Alvarez also said he is not planning to request another Special Powers Law at the National Congress, and he recalled that the previous Special Powers Law was not requested by the Rafael Caldera administration. [end recording]

Coupist General Visconti Appears in Court

PA0206205694 Maracaibo PANORAMA in Spanish 31 May 94 p 4-11

[Report by Jesus Matheus Linares; quotation marks as published]

[Text] Caracas, May 30—This Monday May 30, at midday, an arrest warrant was executed for Air Force General Efrain Francisco Visconti Osorio and four other officers. The four officers fled with Visconti to Lima, Peru, following the failed coup attempt on 27 November, 1992.

Gen. Visconti Osorio arrived with his four subordinate officers at the Military Court at approximately 1330. The men were transferred from the Lino Clemente Battalion headquarters, where they are being held.

Visconti told reporters: I am not interested in commenting on any issues.

He was asked: Are you considering returning to the Venezuelan Air Force?

That is our greatest hope.

Are you sure President Caldera will grant a pardon?

We are sure of that. That is part of the peace policy the President and the government are promoting.

What are the conditions?

The basic condition is for us to face justice and the government will guarantee a pardon.

The general was also asked about a rumor that the officers exiled in Peru were given millions of bolivars to return to Venezuela. He responded by shaking his head with a smile of amazement.

Why did you flee the country on 27 November?

He said flatly: We have already answered that question before.

What is your opinion about the arrest warrant issued for former President Carlos Andres Perez?

You have studied that in detail and know more about it than I do, as I have just arrived, he answered.

You have said you have "great hope" for the country.

Our intention is to contribute to finding a definitive solution for all of the soldiers who remain under arrest, following the 4 February and 27 November uprisings.

Why were you the last to return?

Because I was the highest ranking officer to go to Peru and the process demanded I return last, he explained.

"Panorama" asked Visconti if he would accept a position in the Caldera administration, as Commander Arias Cardenas did, once he is pardoned and leaves the Venezuelan Armed Forces. He flatly said: "That we will have to study when the situation requires that type of evaluation."

Do you have any political aspirations?

There is nothing in that direction at this time, he said.

Captain Freddy Rio Pacheco, the presiding judge, reported that once the officers have been formally served with the arrest warrants, Carmen Salinas will temporarily act as their defense attorney. Rios explained that this would be "to assist them in preparing their deposition at the inquiry, read the trial records, and set the dates for the formal inquiry.

Suriname

National Assembly Approves Caricom Membership

FL0206135994 Castries HTS Caribvision Television in English 1945 GMT 1 Jun 94

[Text] Finally this evening, the National Assembly of Suriname has given the government permission to apply for political membership of Caricom [Caribbean Community], however, membership to the Common Market was also approved based on certain conditions. Their National Assembly now wants to know the effects of the Common Market on the Surinamese economy and the Suriname foreign affairs minister is to deliberate that issue with Caricom. Marion Riedewald reports:

[Begin Riedewald recording] At the moment only three percent of Suriname's imports are from the Caricom. Opposition member (Winston Jeshelin) criticized Minister Soebhas Mungra of foreign affairs, who said that Suriname doesn't have to fear being flooded by Caribbean products. (Jeshelin) said that Suriname's membership of the Common Market means the promotion of trade in both directions. He still fears some negative consequences of Suriname's membership of the Common Market. Based on the three percent trade between Suriname and the Caribbean, he estimates that the country yearly will earn $343 million less from import tax.

(Jeshelin) also wants to know how Suriname will pay the yearly contribution of $700,000 to Caricom. He says that production facilities in Suriname first must be improved before the country seeks markets for its export products. According to him, Caricom lacks those markets. (Jeshelin) fears that a budgetary deficit will increase as a result of effects of the Common Market. Minister Mungra said that expansion of markets will lower the cost of production.

The National Assembly authorized the government to apply for political membership of the Caricom and deliberate about the conditions to enter the Common Market. [end recording]

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